

ASSISTANCE TO THE TRANSITION FROM WAR TO PEACE

Evaluation of USAID/El Salvador's Special Strategic Objective

(Project No. 519-0394)

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Table of Contents

LIST OF ACRONYMS	iii
PROJECT IDENTIFICATION DATA SHEET	vi
Chapter I -- EXECUTIVE SUMMARY	1
Chapter II -- INTRODUCTION	11
A. EVALUATION OBJECTIVE	11
B. TECHNICAL APPROACH/METHODOLOGY	11
C. TEAM COMPOSITION	13
D. ACKNOWLEDGMENTS	13
Chapter III -- BACKGROUND	16
A. POLITICAL AND ECONOMIC CONTEXT OF THE PEACE ACCORDS ...	16
B. BRIEF SUMMARY OF THE PEACE ACCORDS	18
C. BRIEF SUMMARY OF THE NATIONAL RECONSTRUCTION PLAN ...	19
D. PRINCIPAL ACTORS AND SOURCES OF FUNDS	20
1. NRP sources and uses of funds	20
E. THE ROLE AND STRUCTURE OF THE SRN	23
F. IMPACT OF THE 1994 ELECTIONS	24
G. DESCRIPTION OF THE MUNICIPALITIES IN ACTION PROGRAM (MEA)	25
Chapter IV -- EVALUATION OF USAID'S ASSISTANCE TO EL SALVADOR'S TRANSITION FROM WAR TO PEACE	28
A. FACTORS OF PRODUCTION REACTIVATED TO RESPOND TO ECONOMIC OPPORTUNITIES	28
1. Indicator 1: Men and women trained under NRP	30
2. Indicator 2: Clients receiving credit	35
3. Indicator 3: Beneficiaries (percent) with increased income after receiving both training and credit	42
4. Indicator 4: Land Bank clients (percent) with land in production	46
B. ACCESS TO BASIC SOCIAL SERVICES AND INFRASTRUCTURE REESTABLISHED	53
1. Indicator 1: NRP population served by MEA infrastructure projects (%)	54
2. Indicator 2: Roads improved which required rehabilitation in the NRP (% of km of road)	58
3. Indicator 3: Health facilities assisted and functioning	62
4. Water/Sanitation Systems	64
C. LOCAL LEVEL DEMOCRATIC INSTITUTIONS BUILT AND CIVIC PARTICIPATION INCREASED	66
1. Nature and adequacy of the indicators	66

2.	Decentralization policy, municipal government/NGO relations	67
3.	Indicator 1: Open Town Meetings held; and, Indicator 2: Percent of cantons participating in MEA Program Town Meetings	71
4.	Indicator 3: Registered voters in NRP	84
5.	Indicator 4: NGOs participating in reconstruction activities	84
D.	EX-COMBATANTS REINTEGRATED	95
1.	Reinsertion of Ex-Combatants	95
2.	Indicator 1: Ex-combatants (men and women) receiving vocational or academic training	104
3.	Indicator 2: Ex-combatants (men and women) receiving rehabilitation services	104
4.	Indicator 3: Ex-combatants (men and women) receiving credit	109
5.	Indicator 4: Ex-combatants and tenedores (men and women) receiving land	109
E.	ANALYSIS OF USAID’S SPECIAL STRATEGIC OBJECTIVE FRAMEWORK	110
1.	The strategic goal and purpose	110
2.	Strategic objective indicators	112
3.	Alternative strategic objective indicators	114
4.	Linkage of the intermediate results to the strategic objective	116
F.	USAID AND SRN ADMINISTRATION AND MANAGEMENT PROCEDURES	120
Chapter V -- RECOMMENDATIONS FOR FUTURE USAID ASSISTANCE		124
A.	ANALYSIS OF SECOND GENERATION ISSUES RESULTING FROM THE PEACE PROCESS	124
B.	RECOMMENDED STRATEGIC FOCUS FOR FUTURE ASSISTANCE	125
C.	PROGRAM RECOMMENDATIONS FOR USAID ASSISTANCE	126
1.	Nationwide or NRP-wide initiatives:	126
2.	Projects that could be nation or NRP-wide, or could focus on priority local areas	127
3.	Activities focused on priority municipalities or sub-Departmental initiatives	127
4.	Other, small-scale initiatives	128
D.	PRIORITIZATION OF PROGRAM ACTIVITIES	129
Chapter VI -- LESSONS LEARNED		130
A.	CONDITIONS SUI GENERIS	130
B.	LESSONS FROM THE FIRST THREE YEARS	131
C.	NEW LESSONS	132

LIST OF ACRONYMS

ADEFAES	Asociación de Desmovilizados de la Fuerza Armada de el Salvador
ADESCOS	Asociaciones de Desarrollo Comunal
AGAPE	Asociación AGAPE de El Salvador
AMED	Medical Attention to the Disabled project
APSISA	Health Systems Support Project - USAID
ARENA	Alianza Republicana Nacionalista
ASALDIG	Asociación Salvadoreña de Lisiados y Discapacitados de Guerra
BFA	Banco de Fomento Nacional
CBA	Canasta Básica Alimentaria
CD	Convergencia Democrático
CDA	Departmental council of Mayors
CDIE	Center for Development Information and Evaluation - USAID
CENTA	Centro Nacional de Tecnología Agropecuaria.
CERFROFA	Armed Forces Center for Professional Rehabilitation
CIPHEs	Concejo Coordinador de Instituciones Privadas de Promoción Humana de El Salvador
CIPRODET	Interinstitutional Coordinating Committee in Tonacatepeque
CLUSA	Cooperative League of the USA
CODITO	Comité de Desarrollo Integral del Distrito de Tonacatepeque
COMURES	Corporación de Municipalidades de la República de El Salvador
CONARA	Commission for the Restoration of Areas
CONVIVIR	CARE technical assistance, credit, and land titling project
COPAZ	Comisión de Paz
CORDES	Fundación para la Cooperación y el Desarrollo
CORDIM	Corporación Departamental para el Desarrollo Integral de Morazán
CREA	Creative Assoicates
CRS	Catholic Relief Service
CV	Caminos vecinales
EAP	Economically Active Population
EHPM	Encuesta de Hogares de Propósitos Múltiples
ESAF	El Salvador Armed Forces
ESF	Economic Support Funds
F-16	Fundació 16 de Enero
FEDECOOPADES	Federación de Asociaciones Cooperativas de Producción Agropecuaria de El Salvador
FEDECREDITO	Federation of Rural Savings and Loan Cooperatives
FEDISAL	Fundación para la Educación Integral Salvadoreña
FEPADE	Fundación Empresarial para el Desarrollo Educativo
FIGAPE	Fondo de Financiamiento y Garantía para la Pequeña Empresa
FIS	Fondo de Inversión Social
FLACSO	Facultad Latinoamericana de Ciencias Sociales
FMLN	Farbundo Marti National Liberation Front
FRATA	CRS agricultural credit and technical assistance project

FUNDAMUNI	Fundación de Apoyo a Municipios de El Salvador
FUNDASALVA	Fundación Antidrogas de El Salvador
FUNDAUNGO	Fundación Dr. Guillermo Ungo
FUNDE	Fundación Nacional para el Desarrollo
FUNTER	Fundación Teletón Pro-Rehabilitación
FUSADES	Fundación Salvadoreño para el Desarrollo Económico y Social
FUSAI	Fundación Salvadoreña de Apoyo Integral
FUSAL	Fundación Salvadoreña para la Salud y el Desarrollo Social
GOES	Government of El Salvador
GTZ	German development agency
HCOLC	Host country owned local currency
IBRD	World Bank
IDB	Inter-American Development Bank
ISDEM	Instituto Salvadoreño de Desarrollo Municipal
ISRI	Salvadoran Institute for Rehabilitation
ISTA	Instituto Salvadoreño de Transformación Agraria
MAC	Movimiento Auténtico Cristiano
MAG	Ministerio de Agricultura y Ganadería
MEA	Municipalidades en Acción
MINUSAL	Misión de las Naciones Unidas en El Salvador
MIPLAN	Ministry of Planning and Coordination of Social and Economic Development
MNR	Movimiento Nacional Revolucionario
MOH	Ministry of Health
MOP	Ministerio de Obras Públicas
MSN	Movimiento de Solidaridad Nacional
MU	Movimiento de Unidad
NGO	Non-governmental Organization
NRECA	National Rural Electrification Cooperatives Association
NRP	National Reconstruction Plan or Program
OAPA	Oficina de Analisis de Políticas Agrarias
OCTA	Oficina Coordinadora de Temas Agrarias - MAG
ONUSAL	Oficina de las Naciones Unidas en El Salvador
OVI	Objectively Verifiable Indicators
PACT	Private Agencies Collaborating Together
PADECOMSM	Patronato de Comunidades de San Miguel y Morazan
PCI	Project Concern International
PCN	Partido de Conciliación Nacional
PD	Partido Demócrata
PDC	Partido Demócrata Cristiano
PODES	Promotora de la Organización de Discapacitados de El Salvador
PRISMA	Programa Regional de Investigación Sobre Medio Ambiente
PROCAP	Programa de Apoyo y Capacitación
PRODEPAS	NGO Strengthening Project for Salvadoran Development and Peace
PROESA	Fundación de Productores y Empresarios Salvadoreños
PROLIS	Programa de Lisiados de El Salvador

PROMUDE	Programa Asesoramiento en el Fomento Municipal y la Decentralización
PROPEMI	Program for Small and Micro-Enterprise
PROSAMI	Proyecto de Salud Materna y Supervivencia Infantil
PTT	Programa de Transferencia de Tierras
PVO	Private Voluntary Organization
RTI	Research Triangle Institute
SABE	Strengthening Achievement in Basic Education Project - USAID
SETEFE	Technical Secretariat for External Financing - GOES
SRN	Secretaria de Reconstrucción Nacional
SSO	Special Strategic Objective
UNDP	United Nations Development Program
UP	Unidad Productiva
USAID	United States Agency for International Development
WRF	World Rehabilitation Fund

PROJECT IDENTIFICATION DATA SHEET

1. Country: El Salvador
2. Special Strategic Objective: To assist the transition from war to peace.
3. Name of principal project associated with SSO: Peace and National Recovery Project
4. Number of principal project associated with SSO: 519-0394
5. Project Dates:
 - A. Project Authorization: March 25, 1992
 - B. First Project Agreement: May 1, 1992
 - C. Planned Project Assistance Completion Date: April 30, 1997
6. Program Funding: (amounts up to April 29, 1996 in millions of dollars or dollar equivalent)

	Project 0394	Existing Projects	HCOLC
A. USAID Obligations:	\$ 174.1	\$ 61.3	\$ 66.5
B. USAID expenditures:	\$ 138.3	\$ 58.7	\$ 59.8
C. Host Country Counterpart:	\$ 48.0	N/A	N/A
7. Mode of implementation: Various
8. Program designers: USAID/El Salvador and GOES
9. Responsible Mission Officials: (for the life of the project to date)
 - A. Mission Directors: John Sambrailo, Charles Costello, Carl Leonard
 - B. Project Officers: Lynn Sheldon, Henry Alderfer
10. Previous Evaluations: January 1994

Chapter I -- EXECUTIVE SUMMARY

USAID/El Salvador's Special Strategic Objective is to assist El Salvador make the transition from war to peace, by promoting the peace process and sowing the seeds of future growth with equity. Assistance related to this Objective dates from May, 1992, when the Peace and National Recovery Project Agreement (519-0394) was signed between USAID and the Government of El Salvador, and this evaluation covers activities from that date through March, 1996. Ten major USAID/El Salvador projects have supported the SSO, including Project 0394.

The principal conclusion of this evaluation is that USAID has been very successful in implementing the assistance related to this Objective and has achieved or exceeded the majority of the program's targets. Many key individuals interviewed during the evaluation credited USAID's assistance as having played a crucial role in helping El Salvador to transition successfully from war to peace. The end of the conflict has been accompanied by increased openness in the political system, and other political reforms (which were called for in the Peace Accords) are presently being considered. However, despite the substantial investment to repair infrastructure in the war affected region, transfer land to ex-combatants, provide vocational training and agricultural and micro-enterprise credit to civilians and ex-combatants, improve access to critical social services, and increase civic participation and build local democratic institutions, the economic potential of those most affected by the war remains tenuous.

The Government of El Salvador (GOES) and the representatives of the Farabundo Marti National Liberation Front (FMLN) signed the comprehensive set of Peace Accords in January, 1992, ending twelve years of civil war that caused enormous loss of life, destroyed a significant portion of the infrastructure assets accumulated over many years of development, and halted productive activity in (and substantially depopulated) a major portion of the total land area of the country. Neither side had achieved its objectives during the war. It is apparent that peace was achieved because neither side could anticipate victory, and because both sides were aware that the costs of the war were impoverishing the nation. Thus, the time was ripe for a resolution of the conflict.

The Peace Accords formalized the accommodations required to open the political system in El Salvador to a more representative democracy, reducing the size of the armed forces and subordinating it to civilian rule, reforming the electoral process, and strengthening the judicial system. Agreements on economic issues focused on the needs of demobilized forces and civilians associated with the FMLN (*tenedores*), rather than the population as a whole. The Accords did not seek specific measures to transform the economic structure of El Salvador. The GOES agreed to submit its draft strategy for recovery from the war, the National Reconstruction Plan (NRP), to the FMLN for comment.

The NRP is a comprehensive document prepared primarily as an expression of the objectives of the GOES, with some USAID and other donor assistance and influenced by consultation with various sectors of Salvadoran society. It is a five year reconstruction program focused on the 115 most damaged municipalities (referred to here as the NRP region), and on the resettlement and integration of the 22,500 ex-combatants from both sides of the conflict and the 25,000 *tenedores* (assistance to 4,200 demobilized national police was subsequently added). The NRP served as the agenda (with the FMLN's endorsement) in soliciting international support for the reconstruction process at a

donors meeting in March 1992. The Plan's objectives were to facilitate the reintegration of ex-combatants and *tenedores*, improve conditions in war-damaged areas, reconstruct damaged infrastructure, and promote broad citizen participation in the reconstruction effort. The Secretaría de Reconstrucción Nacional (SRN) was created and assigned responsibility for implementing the Plan.

The international donor community pledged \$800 million (including commitments made prior to completion of the NRP's design) to post-war reconstruction in El Salvador, slightly over half of the Plan's total requirement of \$1.528 billion. The remainder was to be covered by GOES resources. The Government of El Salvador reports that the total cost of the NRP has actually been 20.8 billion colones (\$2.4 billion), and that the total donor contribution has covered 32% of this amount, or \$765 million. The GOES includes international loans totaling \$512 million (21% of the total cost) as part of its contribution rather than that of the donors. The actual cost to the GOES, using its calculations, has been more than twice the amount initially contemplated. One GOES official commented to the evaluation team that if the GOES had known the total cost it would incur in implementing the Accords, it would have refused to sign them.

The U.S. Government initially pledged \$250 million in USAID funding for the NRP, and later raised this amount to \$300 million. This includes \$191 million in new funding, plus resources from ongoing programs redirected to support the NRP, and host country owned local currency generated by prior macroeconomic and food assistance programs. To date, USAID has committed over \$302 million against its total pledge, and \$174 million toward its pledge of new resources. Of the total amount committed, \$46.2 million were unexpended as of April 29, 1996.

USAID resources are targeted at a broad range of activities, including virtually every program in the NRP. The U.S. has been by far the largest external source of support for the NRP, and is credited by people from the full spectrum of institutions and political persuasions in El Salvador with having played a critical role in assisting the successful transition from war to peace. USAID support has helped sow the seeds of future growth by reconstructing damaged infrastructure, financing land for ex-combatants and civilian refugees, providing training and credit, increasing civic participation in the identification of priority infrastructure needs, broadening the role of non-governmental organizations (NGOs) in service delivery to rural communities, and attending to the special medical needs of the war disabled. The USAID assistance has been effectively managed, and the concurrent audit program conducted by Price Waterhouse has assured financial integrity of this large, diverse program.

Although attempting to sow the seeds of growth, USAID's strategic objective was to assist the transition from war to peace, not to achieve long-term development. The NRP region includes the historically least developed portion of El Salvador, characterized by poor soils and mountainous terrain, and a lower level of public and private sector investment than the rest of the country. The ex-combatants and displaced persons in this region were cut off from productive activity during the conflict, and they had few skills to maintain themselves (except for those who have used their knowledge of weapons for banditry). The economy of the NRP region is highly dependent on agriculture, and this sector has been depressed and of declining importance in El Salvador for the past fifteen years. Finally, what economic infrastructure did exist in this region was either damaged during the conflict or suffered from lack of maintenance. Even if the massive investment through

the NRP met all of its objectives, all participants realized that it would take a number of years to overcome these constraints.

Two indicators adopted by USAID to measure the degree of success in achieving its strategic objective were reductions in the differentials between the rates of relative poverty and extreme poverty in the NRP compared to the rest of the country. These indicators assume that in the five years of the program the NRP could overcome the historical and present day constraints described in the previous paragraph. As USAID clearly did not have this expectation, the evaluators consider these indicators to be inappropriate, and have recommended that in programs of this nature indicators of basic needs satisfaction would be more appropriate than poverty level reduction.

Intermediate result 1: Reactivation of the factors of production

The first of the four distinct, program objectives tied to USAID's strategic objective is the reactivation of the factors of production (land, labor and capital) in the NRP region. While the ex-combatants were still in the areas of concentration pending demobilization, efforts were undertaken to provide them with basic skills training in agriculture or industrial and service trades, in order to assist with their reinsertion into civilian life. These programs eventually reached over 90,000 people, including a large number of civilians living in the war affected region. However, the urgent need to establish training courses prevented a thorough analysis of skills required by the economy or of the interests of the trainees. Because of these factors and the slower than anticipated growth in employment opportunities, only 20% of participants are now working in the fields for which they received training. Training programs undertaken more recently for demobilized national police have been more effective in matching training to skills needs.

USAID provided more than \$44 million for credit and technical assistance programs reaching over 80,000 individuals, including ex-combatants and civilians in the NRP region. Eighty percent of these individuals received agricultural loans, with the remainder receiving micro enterprise financing. The credit programs provided massive resource transfers to destitute ex-combatants and displaced persons, but a large percentage of these loans is unrecoverable. The borrowers often considered the funds received as payment for services rendered during the conflict, and also believed that resources donated by the U.S. and other countries to El Salvador should have been granted rather than loaned to them. As noted earlier, much of the land provided was of only marginal productivity, and the borrowers were inexperienced with farming and often were new to the ecological regions they now inhabit. Two years of drought and one of excessive rain at harvest time destroyed many of the crops that did get planted. Finally, the total level of debt of the program beneficiaries, including land purchase financing, productive credit, house construction financing, etc., combined with the minimal resources required for beneficiary family consumption, exceeds the income capability of program beneficiaries.

USAID's financial support and its technical assistance and bureaucratic persistence have been critically important to the successful completion of the land transfer process agreed to in the Peace Accords. Eighty-eight percent of those who received land units in 1994 or earlier had at least a portion of the land in production in 1994, but for this same group of farms the portion with land in production declined to 78% in 1995. Two-thirds of the arable portion of the total land transferred was in production in 1995; about half of this in subsistence level basic grain production and most

of the rest in unimproved pastures for low intensity cattle grazing. Two out of three persons who received land in 1994 or earlier were farming this land in 1995, and nearly one in five of those working on the land (2,215 people) were neighbors, renters, laborers or others unrelated to program beneficiaries. The use of group titles (proindeviso) greatly facilitated compliance with land transfer targets, but these now represent major constraints to farmer investment. The percentages of land use and occupancy are similar to those experienced in land reform programs in Latin America (including El Salvador), and will likely increase over time. Such programs typically are undertaken to achieve immediate political objectives, but require considerable time to achieve their economic potential.

The USAID assistance described above has been of immense help to El Salvador's effort to achieve the demobilization of the combatants and the successful implementation of the Peace Accords, but it has been only marginally successful in reactivating the factors of production. It would have been more cost effective to meet the immediate demobilization needs of the ex-combatants and tenedores with a small cash payment, accompanied by more general orientation and readjustment facilitation training. The credit and training programs could then have been developed more carefully and many technical concerns could have been met. This would have allowed credit discipline to be maintained and would have more effectively used program resources. We understand that during program design USAID/El Salvador had recommended this option to both the GOES and USAID/Washington, but both found it politically unacceptable at the time.

Intermediate result 2: Access to basic social services and infrastructure reestablished

USAID resources have financed a vast investment in rehabilitation of small scale, local infrastructure throughout the NRP region, and this has facilitated access to social services. Over 2600 projects were financed, particularly road improvement, school repair, and rural electrification. Three separate Mission programs have financed repair and improvement of the region's public health facilities, and other programs have assisted with school supplies and textbooks, and in providing equivalency training for empirical teachers and health workers who served the refugee communities during the war. In 1995, 40% of the groups benefiting from land transfer had a health clinic near their property, and 80% were near a school. USAID assistance through NGOs and the SRN has significantly increased the access to potable water within the NRP region, and latrine construction has been promoted.

These projects were principally financed through the Municipalities in Action program, known by its Spanish acronym, MEA. This program existed before the Peace Accords were signed (the program was initiated in 1987), and it was a relatively easy process to adapt it to meet the needs of the NRP. It is difficult to assess to what degree the war damaged infrastructure has been replaced, although since the MEA projects were allocated proportional to population levels rather than to degree of war damage, pockets of damage probably still exist.

There remains a substantial need for improved local infrastructure in the NRP region, whether related to war damage or not. USAID activities under this program were not designed or funded at a level needed to meet the total requirements for improved infrastructure, and other donor contributions to date have been less than anticipated. Two types of infrastructure are universally sought: road improvement and potable water. Thus far, USAID assistance has met 22% of the total estimated kilometers of roads requiring improvements (more than planned). The GOES included

325 million colones of its own resources in its 1996 budget to replace the USAID MEA Program resources that financed this construction in the past. It is still too early to know if this GOES apportionment will continue in the future, as it is being programmed on a year by year basis, nor is it clear what criteria will be used for project selection.

Intermediate result 3: Local level democratic institutions built and civic participation increased.

Achievement of this intermediate objective has been pursued largely through the open town meeting (cabildo abierto) feature of the MEA program and through the participation of NGOs as both executors and recipients of project services. In addition, increased voter registration in connection with the 1994 elections was used as a measure of progress, though funded under a different SO.

Now that the emergency/contingency phase of reconstruction is winding down, evaluators found growing consensus regarding the need for integrated development planning at the local level. Though formal coordination mechanisms are missing, many innovative pilot activities sponsored by a variety of institutions are underway. Those model innovations are now mature enough to be documented and shared broadly among interested parties. Mixed messages regarding the GOES policy of decentralization and its position concerning NGOs tend to undercut incentives for citizen participation and the strengthening of local institutions. Two priority legislative issues that COMURES and others plan to pursue after the 1997 municipal elections are proportional representation on town councils and the right of municipalities to collect property taxes. The lack of clarity regarding project criteria, uncertain funding levels, and bureaucratic procedures that result in long delays in funding and executing projects selected through open town meetings, weaken citizen confidence in both local and national government and reduce their desire to participate in the system or to help strengthen it.

Positive local initiatives to stimulate greater civic participation include open municipal council meetings (though the definition of "open" varies from place to place) and popular consultations, which bring citizens together to vote on a specific issue within the community. Though evaluators found no instance of full citizen participation in the budget process at the local level, some tentative steps in that direction are also being tested.

Because the 1994 elections resulted in a new cadre of mayors who had to learn the system, and because of reduced funding for infrastructure projects and confusion regarding available funds, the number of cabildos abiertos has declined over the past two years. Moreover, because those meetings involve citizen participation only in the presentation of felt needs, excluding them from the process of prioritizing and decision making as to which of those needs will be met, this process has led to a growing sense of frustration and cynicism. Though the objectives of cabildos are clearly spelled out in the Municipal Code, the design of the meetings does not include modern participatory methodologies for the involvement of citizens in prioritizing needs on the basis of the hard economic realities that municipalities must face. This results in an overemphasis on citizens' rights, without promoting an understanding of their responsibilities. This in turn nourishes the assistentialist mode which has marked the emergency phase of the NRP, whereby citizens rely on others to meet their needs. For all these reasons, it will be important for future progress to strengthen the cabildo abierto

format through the incorporation of new participatory methodologies, and to provide training for local public and private leaders in the application of those methodologies.

USAID records show that, to date, 136 NGOs have participated in the NRP. Early difficulties related to allegations of discrimination against "opposition" NGOs were overcome through compromise solutions agreed to by the SRN and USAID, involving the use of "umbrella" NGOs to fund those that had not yet received legal recognition or were considered technically weak. Difficulties persist regarding legal recognition by the Ministry of the interior. Though USAID has requested the Minister's assistance in facilitating this process, no response has been forthcoming.

The process of NGO selection, and their participation in the early phases of the NRP strategic planning process, were matters reserved for SRN/USAID decision. In early 1994, the SRN and USAID convened a limited number of NGOs to provide input for that year's plan, and in late 1994 a broader process was undertaken in designing the 1995-1996 strategic plan. NGO-sponsored NRP projects have been funded largely on the basis of unsolicited proposals for specific action plans, rather than through the type of competitive process used by PROSAMI in the health sector and, more recently, by the World Rehabilitation Fund in relation to the war-disabled (both of which also receive funding under the NRP).

Institutional strengthening for NRP-related NGOs was addressed by a single project, PACT/PRODEPAS, which met with minimal success and tended to focus on accounting rather than organizational and financial self-sufficiency issues. Estimates are that of those NGOs that depend entirely on NRP support, only a small portion are sustainable. Although many of these NGOs were created specifically to assist with the demobilization process, and have no long-term role, others (if appropriately assisted) could potentially form the indispensable social infrastructure required to consolidate the new communities in the NRP region. In fact, this social infrastructure could be equally important to the physical infrastructure that has received much greater attention. There is evidence that those local NGOs that were created by U.S. or international PVOs specifically for the execution of NRP projects were left in a severely weak condition once funds were expended and the PVO departed.

According to a number of the NGO representatives interviewed, USAID's offer, under the Micro-Project Fund, to provide \$75,000 for efforts to create an NGO federation, caused consternation and even suspicion among many of those organizations, and resulted in few proposals. It is apparent that there are broad differences in size, competence, political tendencies, and other factors between the NGOs, and they do not as yet consider themselves to be a community of organizations with sufficiently similar interests to warrant this initiative. While positive incentives for NGO collaboration would be helpful, a comprehensive survey or diagnosis of the current status, strengths, weaknesses and felt needs of those organizations would be useful to establish the basis for such incentives.

In the future, USAID should support the provision of organizational development assistance to NGOs participating in this and other projects, and should include in criteria for the selection of U.S. PVOs their capacity and willingness to transfer key skills or methodologies to local NGOs. It is the ability of those NGOs to make the transition from emergency, humanitarian services to the design and implementation of sustainable development programming that will define their ability to help or hinder El Salvador's prospects for future socio-economic success.

Intermediate result 4: Ex-combatants reintegrated

The NRP was successful in assisting with demobilization, both during the period of concentration of military forces, as well as during the contingency stage. The investment made in attention to the ex-combatants ensures the political stability necessary for executing the commitments included in the Peace Accords.

However, the design of the NRP did not include a clear definition on what is meant by reinsertion or reintegration. It would have been very useful to define clearly reinsertion goals and scope at the outset of the process. The evaluators use the term to mean the insertion of the demobilized into civilian and productive life, and from various angles, the evaluation team considers that ex-combatant reinsertion or insertion into local communities has been achieved. According to a survey of ex-combatants carried out by Creative Associates, 62% (on a weighted average basis) self-define themselves as “much” or “very much” reinserted, and indicate that the reinsertion activities were very important in their reintegration.

Several surveys were conducted that attempted to measure changes in income of the ex-combatants since the war, but unfortunately all relied on present perceptions of changes in income, as baseline data were not gathered. Although such perceptions are generally considered of limited reliability, they are of interest. The Creative Associates survey indicated that 56% (on a weighted average basis) of ex-combatants consider that their economic situation is better or much better since the Peace Accords, and 57% expect it to be better or much better next year. The Daniel Carr survey indicates that 42% believe that their earnings from productive activities are higher now than before (66% consider their income as better than before, reflecting the impact of remittances from outside El Salvador). In contrast, a FundaUngo survey in 1994 revealed that 58% of the former ESAF and 44% of the former FMLN considered that they were better off five years earlier (i.e. during the war).

It is difficult to analyze this data. During the war, combatants' basic needs for food, clothing, and (when available) shelter were provided, and life at the end of the war involved much greater uncertainty. The ESAF ex-combatants have benefited from severance pay, and all ex-combatants have received substantial cash transfers (as production loans) and most have received land since the war ended. Nevertheless, to say that the demobilized have been reinserted or inserted in productive life does not imply any great economic success. They have returned to the relatively low-level of productivity and economic integration that typifies their neighbors.

From the point of view of political attitudes, as compared with other citizens the demobilized demonstrate higher levels of tolerance for the political views of others, i.e. they allow political space for those who hold viewpoints that conflict with their own. This is an important finding in that it implies that those who fought the war are more willing than the average citizen to respect the rights of their former opponents. On the other hand, the ex-combatants demonstrate lower levels of support for the system of government than does the average citizen, although 60 to 70% of the ex-combatants from both sides show at least some level of support for government structures. The somewhat lower level of support for government is not too surprising, given that this is a population that fought a war in part due to the failure of government. This lower level of support is a cause for concern, however, to the extent that it indicates that they do not see government as helpful in resolving the ills of society.

Reinsertion is not a term that should be reserved for ex-combatants from the FMLN and the Armed Forces. Rather, to be successful it should also apply to the tenedores as well as the displaced. Finally, the design of reinsertion programs has not fully taken into account the differences between the situation of women and men, particularly the needs of female heads of household. Women are reported to have greater problems in obtaining assistance for productive activities than do men.

Each of the previous three intermediate results also had a direct impact on reintegration of ex-combatants and on the indicators of success of this process. The ex-combatants received priority attention in training, credit, and land transfer programs, and indicator targets for these benefits were met or exceeded. Comments made earlier concerning the effectiveness of these benefits apply specifically to the ex-combatants.

One important reintegration activity not previously mentioned was the GOES commitment to provide special assistance to the war wounded and families of those who died in conflict. The total resources required to meet the commitments to war disabled and survivors are very large in relation to the capacity of the Salvadoran economy to meet them. Thus far, the Government has undertaken specific actions to meet these commitments only after public demonstrations by the combined FMLN and ESAF disabled. Pensions are now being paid to some of the disabled, but no action has been forthcoming to fulfill commitments to parents and children of the war deceased. The responsible GOES implementing entity is the Fund for the Protection of the Disabled, but this entity has thus far received only a portion of the funding needed. Although the EEC is providing technical assistance to help the Fund to improve its internal operations and operating systems, and thus maximize its potential impact within resource constraints, at this point it is not clear what the future of the Fund will be. The war wounded have been the only organized group to create war related public disturbances since the Peace Accords were signed.

As a final issue related to the war wounded, minimal attention is given in El Salvador to the post-war stress syndrome that affects not only ex-combatants but many in the society. The United States has experienced erratic, violent behavior by veterans of Vietnam and other conflicts; behavior that sometimes is not manifest until five or more years after the conflict. The psychological impact of the war on the Salvadoran population was profound, and there are few organized channels to address this issue.

Cross cutting issues

There are other findings that cut across the specific intermediate results discussed above:

1. The specific indicators for the intermediate results tend to focus on quantity of people served, meetings held, etc., rather than on the quality of the services provided. A better mixture of these indicators would have allowed more effective program monitoring.
2. Uncertainties about budget levels were a negative factor for the MEA program, and inadequate communication of this reality created confusion and accusations of favoritism among beneficiaries.

3. Although gender disaggregated data have been gathered in relation to some results indicators, this has been inconsistent and has recently been deleted from semi-annual reporting. It is also not apparent that the data gathered has been actively used to assist with program management and to provide appropriate assistance to both sexes in order to improve results.
4. Surveys that were intended to provide independent measurement of program success contained design flaws that limited their utility, and USAID/El Salvador lacked staff to evaluate and take advantage of the information gathered. Programs of this complexity and importance require more effective survey instruments and baseline data if impact is to be assessed.
5. The initial program design was modified due to the insistence of the leadership of the FMLN and the ESAF that services be channeled through their structures. USAID acquiescence to these demands has been criticized, but the evaluators believe that such demands should be anticipated due to the natural mistrust and suspicion inherent in demobilization, and effort should be made to work effectively with these structures rather than to avoid them.
6. The impact of remittances (funds channeled by Salvadoran immigrants in the United States and elsewhere to relatives in El Salvador) on the economy of rural areas is not well understood, and may create circumstances atypical to the transition from war to peace. Some sources indicate that in the average household the remittances may substantially exceed earned income. Further research of this issue has recently been undertaken and will be important in planning future assistance.

Finally, it is important to remark on the high degree of reconciliation that appears to exist between the common soldiers of both sides of the conflict, in particular between the war wounded. The ex-combatants wanted the war to end and were grateful to survive and have the opportunity to return to civilian life, and they tend now to view their former opponents as equally poor and needy fellow citizens. Although a majority appear to consider themselves better off economically since the war ended, and one survey indicates that a majority anticipate that next year will be better than this, their basis for comparison is against a time of abject poverty immediately following the war. The evaluators detected during field interviews considerable angst about the future among both former ESAF and FMLN combatants, and uncertainty about how they will be able to support themselves in the future. Several commented that they are now worse off than before the war, as before they were poor and now they are poor and in debt. With free trade (despite its many long-term advantages) opening the borders to cheaper grain, the normally precarious life of the subsistence farmer has now become even more difficult, and the new land holders in the NRP region are well aware of this. These are not issues limited to the ex-combatants, but are problems that affect all inhabitants of the NRP region, and to a somewhat lesser extent all of rural El Salvador. While the long-term development of the NRP region and its inhabitants was not envisaged as an outcome of this program, the issue cannot be ignored, either within the region or outside of it.

It is likely that many of those who were settled on marginally productive land will continue to migrate to San Salvador and to the United States, and it is probable that off-farm employment will be the only viable option for many. At this stage, investment should be made wherever it is likely to have the fastest and greatest impact on permanent employment and income generation. Further

investment at the local level, based on municipal or sub-departmental planning, to remove constraints such as poor infrastructure and inadequate training that inhibit expanded economic opportunities, would help keep some of the new employment in rural areas. Gradual expansion of more profitable non-traditional crops would also create expanded income and employment opportunities, as long as the risks inherent in such activities are anticipated. Savings mobilization efforts in rural areas that attempt to capture the transitory remittance resources and create a capital base for further development should also be encouraged.

Unfortunately, there appears to be a degree of institutional fatigue both in the GOES and in the donor community, as well as a substantial reduction in resource availability. While it is unlikely that this situation would degenerate into the organized conflict of the 1980s, further disintegration of the Salvadoran society, with associated internal problems of violent crime and destruction of property, and the external problems of uncontrolled migration, will be the price to pay for inadequate attention to the needs of this population.

Chapter II -- INTRODUCTION

A. EVALUATION OBJECTIVE

The objective of this evaluation was to assess USAID/El Salvador's contribution to the accomplishment of the Mission's Special Strategic Objective (SSO): "Assist El Salvador Make the Transition From War to Peace," by promoting the peace process and sowing the seeds of future growth with equity (until recently this objective was called Strategic Objective 1). In addition, the evaluation was to articulate lessons learned from this program, and provide key recommendations of what further activities might be undertaken by the USG in the consolidation of the Peace Process.

The Statement of Work specified that the evaluation team would address in detail five tasks, in order to determine if - and to what extent -the USAID/El Salvador \$300 million National Reconstruction Program (NRP) has achieved the intended level of accomplishments in relation to the SSO, through February 29, 1996. The starting point for the evaluation was the date the Mission signed the original Peace and National Recovery Project Agreement, May 1992. The team was also to answer a list of specific questions contained in Appendix 1 of the SOW, and organized around the four Program Outcomes contained in the "Program Tree" (responses to these questions are in Annex A to this report). In carrying out this work, the team was also to "review and analyze the degree to which gender-differentiated factors are relevant to the achievement of the SO."

The original Scope of Work as shown in Annex B was carried out in full. The only deviation involved the inclusion in this report of five beneficiary case studies and 10 action photographs from among those transmitted to USAID by implementing agencies. It was mutually agreed by the Mission and the MSI team that, given the subjects covered or the quality of the materials received, their inclusion would not enhance the content of this report. Thus, that requirement was dropped. In addition, as the USAID indicator data for the project was available to March 31, 1996, accomplishments were judged as of this date rather than February 29.

B. TECHNICAL APPROACH/METHODOLOGY

The overall technical approach used during this assignment consisted of five major components:

1. Pre-arrival document review and one-day Team Planning Meeting at MSI headquarters in Washington, DC. (April 1/5, 1996)
2. Arrival in San Salvador; further review of key documents, and in-depth briefings by USAID and the Secretariat for National Reconstruction (SRN). (April 8/12)
3. Field work; discussions with key implementing organizations and recipients, including the most significant institutions that had worked in the areas of immediate assistance, reintegration activities, agricultural and microenterprise credit and training, land titling, infrastructure, activities fostering local democratic institutions, and existing projects. (April 13/May 15)

4. Preparation/presentation of draft report; pre-departure briefings by MSI team at USAID; and receipt of USAID comments for preparation of final report. (May 13/30)
5. Return to U.S. (May 31); incorporation of USAID comments, and production of final report in English (June 29) and Spanish (July 30)

Throughout the conduct of in-country activities, the team met at least weekly with USAID project managers to report on progress and seek further guidance or clarification on specific procedural matters.

The methodology designed and implemented by evaluators responded to the various tasks set out in the SOW. In addition to seeking and reviewing additional documentation, key informants and participants from all project areas and from both the public and private sector were interviewed, a number of focus group interviews with from 10 to 40 ex-combatants, tenedores, and other affected parties were conducted, and group interviews involving up to seven persons were conducted.

In preparation for work in the field, the team developed interview protocols for the various individuals and groups to be contacted. In addition, criteria were formulated for the selection of sites to be visited outside of San Salvador, which were approved by USAID.

Initially, the team had planned to conduct interviews in some 15 municipalities in different parts of the country. However, that target was surpassed as 29 municipalities were, in fact, visited, representing 25% of the 115 municipalities included in the National Reconstruction Program (see maps at the end of this section). The municipalities visited are located in eight Departments of the country: Morazán, Chalatenango, Usulután, Cuscatlán, Cabañas, San Vicente, Sonsonate, and San Salvador. The map on page 17 shows the municipalities visited. The criteria used to select municipalities to visit were:

1. Geographic balance
2. Degree of war damage
3. Level of participation in the NRP
4. Different political orientation
5. Varying levels of poverty
6. Size of population
7. Rural/urban locations
8. Different types of assistance provided

During meetings in San Salvador between April 11 and 18, interviewees were asked to suggest appropriate sites for field visits and to identify potential beneficiary groups and implementing organizations to be contacted in each site. Based on those suggestions and above criteria, the evaluation team completed the selection process.

Once field trips were completed, the team conducted a second round of interviews with key institutions in the Capital in order to consolidate the data collected to that point.

A detailed outline of the methodology used is included in Annex B. A list of persons contacted is included as Annex C, and the bibliography of studies, reports, and other materials reviewed is included in Annex D.

C. TEAM COMPOSITION

Based on the SOW, MSI selected five highly-experienced individuals to serve on this team.

Stephen Wingert	Team Leader & Rural Development Specialist
Joan M. Goodin	PVO/NGO Operations & Citizen Participation Specialist
Ricardo Córdova	Democracy/Governance & Citizen Participation Specialist
Timothy Farrell	Operations Evaluation Specialist for Training & Social Infrastructure (to May 18)
Mitchell Seligson	Democracy/Governance & Data Analysis Specialist (2 weeks)

Details concerning each member's field of expertise and the role they played on the team are included in Annex B.

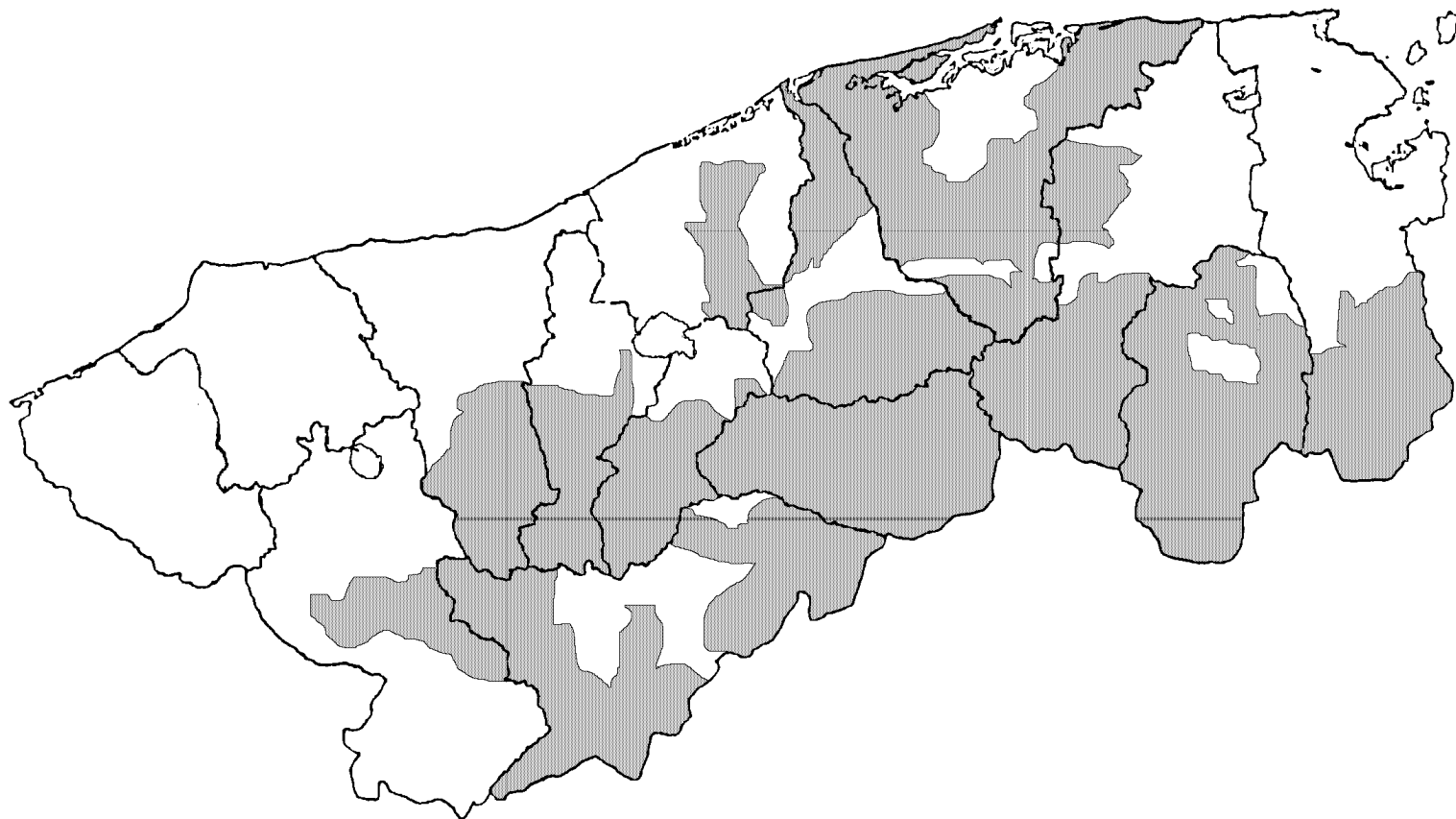
D. ACKNOWLEDGMENTS

Members of the MSI evaluation team wish to express our deep appreciation to USAID/El Salvador for the confidence placed in us and for giving us this opportunity to work with the Mission on such a challenging and interesting assignment. The support provided by the Mission Director and Deputy Director, plus the on-going guidance of the SSO team, and the assistance provided by the project manager, made an enormous task feasible.

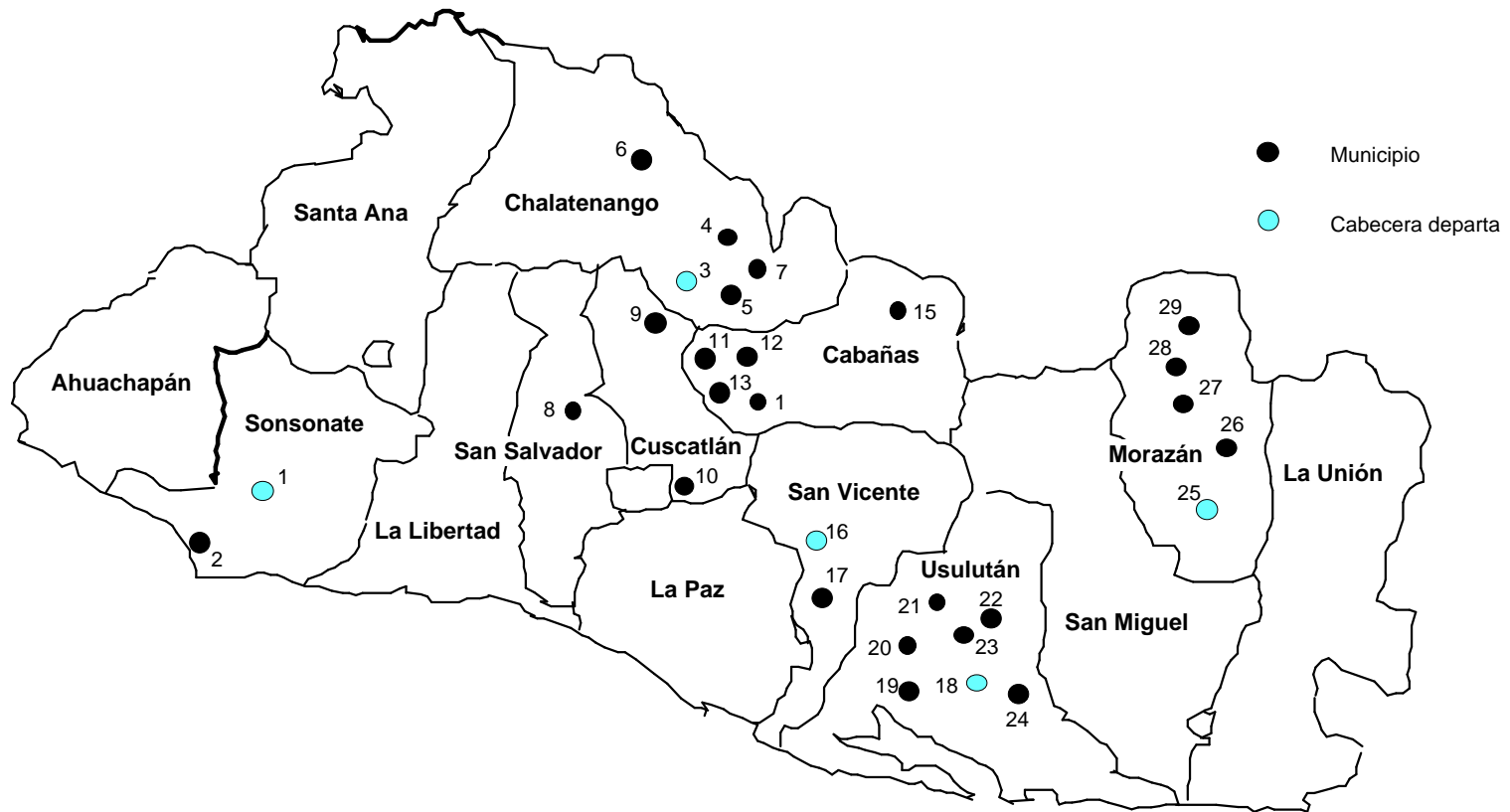
Our sincere thanks go also to the Secretary General and key staff of the SRN for the spirit of cooperation with which they received our requests for information and facilitated our work. Likewise, we are grateful to all of the key government officials, political party leaders, non-governmental representatives, community members and individual citizens who so generously shared with us their time, experience and insights. Each of the individuals contacted made a significant contribution to the overall results recorded here.

For each member of the MSI team, this opportunity to study first-hand the complexities of the peace process and to better comprehend its impact on lives of the citizens of El Salvador has been a professionally enriching and personally satisfying experience. We are grateful to all who made this possible.

**El Salvador: NRP Region
(Shaded Portion)**



El Salvador: Municipalities Visited



- | | | | | |
|---------------------------|-----------------------|----------------|-------------------------|-------------------------|
| 1 Sonsonate | 7 San José Las Flores | 13 Tejutepique | 19 Jiquilisco | 25 San Francisco Gotera |
| 2 Acajutla | 8 Tonacatepeque | 14 Ilobasco | 20 San Francisco Javier | 26 Cacaopera |
| 3 Chalatenango | 9 Suchitoto | 15 Victoria | 21 Berlín | 27 Meanguera |
| 4 Las Vueltas | 10 Candelaria | 16 San Vicente | 22 Santiago de María | 28 Jocoaitique |
| 5 San Antonio Los Ranchos | 11 Cinquera | 17 Tecoluca | 23 Tecapán | 29 Perquín |
| 6 San Francisco Morazán | 12 Jutiapa | 18 Usulután | 24 Ereguayquín | |

Chapter III -- BACKGROUND

This section analyses the context of the USAID/El Salvador Special Strategic Objective, “Assist El Salvador make the transition from war to peace.” This will include a brief description of the political and economic conditions at the time the Peace Accords were signed, brief summaries of the Peace Accords and of the National Reconstruction Plan (NRP), and a more in-depth description of the Municipalities in Action program, which was a somewhat unique mechanism within the NRP. This will be followed by a chart showing the principal actors and sources of funds participating in the reconstruction program, and a specific analysis of the role and structure of the Secretaría de Reconstrucción Nacional in this effort. Finally, a brief description of the 1994 elections and their implication for the Special Strategic Objective will be included.

A. POLITICAL AND ECONOMIC CONTEXT OF THE PEACE ACCORDS

El Salvador has experienced political and social conflict for many decades, especially since the peasant uprising in the 1930s when an estimated 30,000 people were killed. Conflict escalated in the 1970s, leading to the civil war period of 1980 to 1992, during which an estimated 60,000 to 80,000 people were killed, up to a million Salvadorans migrated (primarily to the United States), and infrastructure with an estimated replacement cost of \$1.8 billion was destroyed.

During the years preceding the war, El Salvador (like the rest of Central America) followed an import substitution economic model, with restrictive fiscal and monetary policies, fixed exchange rates, and trade restrictions that favored domestic industries (and their owners). Exports expanded rapidly within the Central American Common Market, as well as internationally; the latter due to the favorable terms of trade for the traditional export commodities - coffee, sugar, and cotton. Gross Domestic Product growth averaged 5.4% between 1960 and 1978. Inflation was maintained in balance with international levels, low during the 1960s but high during much of the 1970s following the oil price shocks and the inflationary trends in the United States.

Political conditions in El Salvador ever since the rebellion of the 1930s were restrictive, permitting little open dissent. The years immediately preceding the war were characterized by a steady closing of political space, a rise of paramilitary organizations, and an escalating repression of opposition social and political organizations. The electoral fraud committed in the 1972 and 1977 Presidential elections undermined the legitimacy of the political system, and although a coup in 1979 by progressive elements in the military promised greater opening of the political and economic system, it was unable to curb the accelerating polarization of the society. Leftist political-military organizations began to emerge in the early 1970s, and coalesced in the creation of the FMLN in 1980. After a March 1980 State of Siege, all legal avenues of social and party organization, mobilization, and protest were closed, and the FMLN launched its first military offensive in January 1981.

During the 1980s, the economy in El Salvador deteriorated rapidly. This resulted in part from international issues: recession in the United States, falling prices for principal export commodities, and contraction of private international finance due to instability in Central America and perceived over exposure by international banks. The external shocks were magnified, however, by mismanagement of the domestic economy. Private banks were nationalized and the government

loosened fiscal and monetary policy, contributing to high inflation rates. Severe foreign exchange restrictions were imposed, and the government also monopolized export of agricultural commodities, paying producers an artificially low exchange rate for the exports. A system of internal price controls on about 240 commodities attempted, unsuccessfully, to manage inflation. As a result, Gross Domestic Product declined sharply, and corrupt practices took advantage of the market restrictions.

A new Constitution was adopted in 1983, which incorporated political accommodations which, if undertaken a decade earlier, might have coopted the revolutionary process. Mechanisms were created for participation in the political process of a broad range of views, procedures were adopted to assure free elections, and agrarian reform was established as state policy. The Duarte government (1984-1989) aggressively implemented agrarian reform, providing nearly 300,000 hectares to over 85,000 families (nearly 10% of El Salvador's population).

In 1989, the Cristiani Administration undertook simultaneously the negotiation of peace and an economic reform program designed to achieve comprehensive economic stabilization and structural adjustment. Rapid reduction of the fiscal deficit and of domestic financing of that deficit, led to reduced inflation and increased private sector investment and growth in the economy. Adoption of a flexible, market-determined exchange rate improved El Salvador's export competitiveness, rationalized import purchases, and reversed capital flight. Structural adjustment measures included external trade liberalization (reduced tariffs and restrictions to trade), re-privatization of the financial sector, elimination of price controls, dismantling of government monopolies on export marketing and domestic sales of basic grains, removal of public utility subsidies, privatization of state enterprises, and an overhaul of the tax system.

Since 1990, El Salvador has experienced rapid, sustained economic growth with relatively low inflation (except for 1992 when expenditures required under the Peace Accords created rapid monetary expansion). Throughout this period, El Salvador has also benefitted from substantial official international assistance, and by capital inflows through remittances sent by Salvadorans living in the United States to family members at home (no accurate data is available on the amount of these remittances, with estimates ranging from \$250 million to \$1 billion per year). These capital inflows have funded higher levels of imports than would have otherwise been the case, and have helped the population to meet pent up consumer demand. These factors have contributed to the rise of the service sector to a leading role in the economy.

The rapid economic growth experienced by El Salvador appears to be driven principally by pent up demand released after the years of conflict and of economic mismanagement. This has not been translated into significant new investment, however, and the productive sectors of the economy remain depressed (except for a rapid increase in the maquila, or drawback textile industry, since 1992). This causes many observers to question how sustainable the current levels of rapid growth will be. In addition, high levels of poverty remain an unchanged fact of life in El Salvador.

B. BRIEF SUMMARY OF THE PEACE ACCORDS

The signing of the historic Peace Accords between the GOES and the FMLN on January 16, 1992 was preceded by a long series of meetings and negotiations between the two parties. The first such meeting took place in Mexico City in September 1989, resulting in the "Mexico Agreements," which defined the conceptual framework and established procedures for the negotiating process. At those sessions, both parties agreed that the purpose of further negotiations was "to put an end to military hostilities through political channels in the shortest time possible, promote the democratization of the country, and reunify Salvadoran society."

In mid-October 1989, another round of talks took place in Costa Rica, but resulted in an impasse. On November 11, the FMLN launched its broadest offensive of the entire war, hitting military targets in a number of cities, including neighborhoods of the capital, San Salvador. According to reports, the economic cost of the damage that resulting from FMLN and Army combat between November 11 and December 4 of that year, was equal to 8.25% of the total cost of the war to that point (nine years). That offensive demonstrated the power relationships in the military arena, and on that basis provided pressure for new negotiations. (Córdova Macías, 1993).

Following subsequent sessions, and at the request of both parties, on April 4, 1990, the U.N. Secretary General signed the "Geneva Declaration," agreeing to mediate the negotiating process, the purpose of which would be "to put an end to military hostilities through political channels in the shortest time possible, promote the democratization of the country, guarantee unrestricted respect for human rights, and reunify Salvadoran society." Thus, in May 1990, the two parties were brought together in Caracas, Venezuela for the first time with the U.N. representative who had been appointed by the Secretary General to mediate the process. That resulted in the "Caracas Agreement," which contained the agenda and schedule for on-going negotiations.

The extraordinary process that followed led to the September 1991 signing of the "New York Accord I" in that city, in which GOES and FMLN declared that they had reached agreement on all pending issues. This was again ratified through the January 13, 1992 signing of the "New York Accord II" by the new U.N. General Secretary. The final Accords were then signed on January 16 at Chapultepec Castle in Mexico.

The Peace Accords responded to a largely political rather than economic problem, and therefore emphasized political agreements, with few details on the resolution of socio-economic problems. Specifically, the Accords included agreements in the following broad areas:

1. Military reform: new military doctrine stressing democratic values and prohibiting any role in internal security; evaluation and selection out of the officer corps by a commission composed of three civilians and two non-voting military officers; a 50% reduction of troops by October 1993; dissolution of the national guard, national police, treasury police, civilian defense forces, and all elite counter-insurgency battalions; establishment of a new civilian intelligence service under the President's authority and with legislative oversight; paramilitary groups banned; creation of a new military reserve system, and forced conscription terminated; creation of the Truth Commission to resolve issues related to the impunity exercised by the Armed Forces.

2. Civic and Political participation by the FMLN: adoption of legislative or other measures to guarantee former FMLN combatants the full exercise of their civil and political rights with a view to their reintegration within a framework of full legality into the civil, political and institutional life of the country; mechanisms for the concentration, identification and disarming of former guerrillas; freedom for political prisoners; guarantees for the return of the exiled and for the disabled; legalization of the FMLN as a political party.
3. Democratic institutions: in accordance with above, creation of: the Public Security Academy; the National Civil Police, subordinated to civil authorities; the National Judicial Council, independent of state bodies and political parties; and the Office of Human Rights Ombudsman. In addition, the electoral system was to be reformed, and the Supreme Electoral Tribunal created, plus reforms made to strengthen the judicial branch of government.
4. Economic and social issues: government implementation of existing land reform under supervision of a special commission; preference given to ex-combatants in the distribution of state-owned land; government financing of long-term , low-interest loans for land purchases; a moratorium on the return of land illegally taken by the FMLN, after which those holding land may purchase it or be resettled; access to credit and technical assistance for small farmers. Also included were: creation of the Solicitor General's Office of Consumer Defense, the participation of workers in the ownership of enterprises to be privatized, avoidance of monopolistic practices, strengthening existing social welfare programs designed to alleviate extreme poverty, and creation of a tripartite forum with government, labor and business to work out a set of broad agreements on the socio-economic development of the country.
5. National Reconstruction Plan (NRP): within 30 days, GOES was to submit its draft NRP to the FMLN so that its suggestions, as well as those from other key sectors might be taken into account.

C. BRIEF SUMMARY OF THE NATIONAL RECONSTRUCTION PLAN

As mentioned above, the Peace Accords called for GOES to present a draft National Reconstruction Plan (NRP) to the FMLN within a month after signing. The May 1995 UNDP study titled Adjustment Toward Peace: Economic Policy and Post-War Reconstruction in El Salvador states: "While the FMLN's recommendations and requests would be 'taken into account,' its role was clearly secondary; there was no provision for the participation of the beneficiaries in the development of the NRP (except in the case of credit policy)."

Actually, the development of the NRP began in mid-1991 with an initial Consultative Group meeting of donors and government representatives, which included the U.S. A second donor meeting was held in March 1992. In the interim, the Ministry of Planning and Coordination of Economic and Social Development (MIPLAN) drew up a series of preliminary documents describing the general outlines of the NRP.

The NRP is a five-year Plan covering the period from 1992 to 1997. As stated in the original version of March 1992, "the central objective of the NRP is the creation of harmonious conditions that facilitate national unity, through the establishment of the basis for strengthening the process of

national reconciliation and the creation of social and economic conditions for the reintegration of the members of society most affected by the conflict." This was to take place in the context of infrastructure reconstruction in war-damaged areas (estimated to cost US\$1.6 billion). While the March 1992 Plan contemplates focussing on "the 78 municipalities considered as the most depressed," this later grew to 115 municipalities in 12 of the 14 Departments, and a total population of some 1.4 million. As noted in above-mentioned UNDP report, "The reduction of absolute poverty and the promotion of human welfare were also objectives of the NRP, understood as complementary to the government's overall economic policy."

To facilitate participation by the local population, and as a complement to GOES' avowed policy of decentralization, the NRP was to use as a mechanism the Municipalities in Action (MEA) program. Since 1987, USAID had been providing support for MEA through the Commission for the Restoration of Areas (CONARA), which was to be superseded by the Secretariat for National Reconstruction (SRN).

Specific objectives of the NRP were to:

- facilitate the reintegration of ex-combatants and of the population most severely affected by the conflict into the civilian and productive life of the country;
- improve social, economic and environmental conditions in the areas most affected by the conflict;
- reconstruct the basic physical and productive infrastructure damaged or destroyed during the conflict; and
- promote the participation of all parts of society in the national reconstruction effort.

According to the USAID Peace and National Recovery Project Paper (Amendment No. 1, March 1993), GOES originally estimated total funding requirements for the NRP to be US\$1.4 billion. However, the incorporation by GOES of efforts to strengthen democratic institutions and various agreements reached with the FMLN during 1992, brought its estimate of overall needs up to US\$1.8 billion.

D. PRINCIPAL ACTORS AND SOURCES OF FUNDS

1. NRP sources and uses of funds

The following table was prepared by the Secretaría de Reconstrucción Nacional as of April 30, 1996, to report on total expenditures for implementation of the National Reconstruction Plan. Note that the GOES counts international development loans provided for implementation of the Plan as a GOES contribution, due to its repayment obligation (all figures are in millions of colones):

Table 1
NRP sources and uses of funds

	International Donors Grants	GOES			Total
		Loans	Direct Expense	Sub- total	
A. Direct costs	3,497	276	8,316	8,592	12,089
I. Democratic institutions	699	5	5,891	5,896	6,595
II. Reinsertion programs	1,745	267	1,085	1,352	3,097
III. Fund for the Disabled	81	4	126	130	211
IV. Other projects	972	0.00	1,215	1,215	2,187
B. Indirect costs	3,159	4,176	1,336	5,512	8,671
I. Repair of war-damaged infrastructure	1,717	1,041	1,109	2,150	3,866
II. Social/productive support to war affected population	1,442	3,135	228	3,363	4,805
Total	6,656	4,452	9,652	14,155	20,761

Note: The GOES report also included as a direct expenditure its servicing of the debt incurred to support this program. However, as the debt itself is shown as a GOES contribution, the servicing of that debt by the GOES has been deleted. Also, totals do not always sum due to rounding.

The “direct costs” shown above are those specifically incurred to meet the terms of the Peace Accords. The “indirect costs” are expenditures to repair war damage and to assist the affected population. The following activities and total funding amounts from all sources (in millions of colones) correspond to each of the assistance headings:

Democratic institutions: The Truth Commission (19), Human Rights Ombudsman (120), National Academy for Public Security (645), National Civilian Police (3,277), Judicial System (1,691), Supreme Electoral Tribunal (140), and others (713).

Reinsertion programs: Immediate demobilization assistance (283), Agricultural and livestock programs (517), Micro enterprise programs (211), Scholarships for ex-combatants (203), Special assistance for FMLN leaders and mid-level officers (76), Housing programs (159), Severance pay to ESAF and National Police (452), and others (282).

Fund for the disabled: The GOES report does not contain a further breakdown of this support.

Other Direct Projects: Refinancing of FIGAPE and FEDECREDITO (60), Debt restructuring of sectors directly affected by the war (1,114), Demining (43), and costs of the ONUSAL Mission (970).

Repair of war-damaged infrastructure: Rehabilitation of health services (4), Water and sanitation (424), Public service improvement (137), Rehabilitation of the electrical system (1,895), Social infrastructure projects (95), Major bridge reconstruction (830), Basic social infrastructure projects (MEA and FIS) (1,191), Road improvement (208), and others (21).

Social/productive support to war affected population: Health sector rehabilitation (249), Mental health programs (58), Community development (226), Refugee housing (46), Training and productive projects (182), Agricultural credit and technical assistance (46), Micro enterprise credit and technical assistance (253), and others (48).

Donor support

USAID was the principal donor supporting implementation of the National Reconstruction Program. According to the GOES report cited above, the total USAID contribution to the implementation of the Accords has been C 2,835 billion (note that this figure includes both grant and loan derived resources), or \$326 million, which is greater than the amount reported by USAID of \$302 million (the SRN includes some indirect support not counted by USAID). Annex G includes a table showing USAID's reported financial contributions to this program. The SRN figures for USAID's contribution do not include \$9 million in local currency generated by PL 480 programs, and \$17 million from other USG agencies (primarily Department of Justice - ICITAP- support for the creation of the National Civilian Police).

Japan is the second largest donor, contributing \$207 million in loans and grants, although much of this is for major infrastructure projects that are still in the design stage. The Inter-American Development Bank is the third largest contributor, with \$145 million. The European Economic Community is the fourth largest, with \$90 million, although it is important to note that the EEC's member countries also made substantial direct contributions (Germany, for example, contributed \$29 million).

In addition to the official donors, a number of international and domestic non-governmental organizations have contributed to the implementation of the National Reconstruction Program, usually as channels for disbursement of the resources but often contributing their own resources as counterpart to the program. Some of the more prominent of the international NGOs involved in the program are: Catholic Relief Service (CRS), CARE, TECHNOSERVE, CLUSA, NRECA, PACT, and Project Concern International. Over 120 Salvadoran NGOs participated in the implementation of the program.

The principal GOES institutions involved in this program are the Secretaría de Reconstrucción Nacional, Banco de Tierras, Banco de Fomento Nacional, Dirección General de Caminos, Fondo de Inversión Social, and the Centro Nacional de Tecnología Agropecuaria.

Finally, the United Nations has played a pivotal role beginning with facilitating the peace negotiations and subsequently monitoring the compliance by both sides with the agreements. The policy and monitoring role of the UN has been implemented under the direction of representatives of the UN Secretary General (ONUSAL, MINUSAL). In addition, the United Nations Development

Program (UNDP) has provided leadership to donor assistance activities, as an effective neutral party in assisting with resolution of implementation issues.

E. THE ROLE AND STRUCTURE OF THE SRN

The Secretariat for National Reconstruction (SRN) was created by Executive Decree No. 8 on January 30, 1992 as a cabinet-level agency reporting directly to the President. As noted above, the SRN replaced CONARA, which had been responsible for administering the Municipalities in Action (MEA) program (supported by USAID) since 1987, and now an NRP mechanism managed by the SRN.

As stipulated in the March 1992 Reconstruction Plan, the principal responsibilities of the SRN are to:

- I) coordinate the execution of the Plan and the channeling of resources coming from abroad to the different executing units that participate in this effort;
- ii) maintain monitoring and auditing mechanisms that guarantee the appropriate and transparent use of funds directed to reconstruction;
- iii) stimulate citizen participation in the process of local decision-making and attend to the economic and social demands derived from open town meetings [a standard feature of the MEA program] or popular consultations; and
- iv) promote the participation of NGOs, community associations and the private sector in the implementation of the Plan.

In carrying out its mission, the SRN emphasizes the use of existing institutions to implement the NRP through one of three windows: NGOs, municipalities, and central government agencies. Proposals from these institutions are submitted to the SRN to be evaluated, prioritized, and approved based on a review with USAID/El Salvador and the Technical Secretariat for External Financing (SETEFE).

The structure of the SRN includes four major offices or departments: Programming and Evaluation, Administration-Financing, Social Development, and Municipal Strengthening (MEA program), each headed by a Director who reports to the SRN Secretary General. There are also offices covering legal, internal audit, public relations, computer operations, and general advisement.

Until recently, SRN had field offices in each of the 14 Departments of the country. However, in anticipation of the completion of the NRP in 1997, field sites were reduced to five Regional Offices. Staff size has oscillated over time between around 250 to some 380 persons, depending on the tasks at hand and the availability of resources.

F. IMPACT OF THE 1994 ELECTIONS

On March 20, 1994, elections were held for four offices: president; Legislative Assembly, with a proportional representation formula for the 84 seats; mayors in the 262 municipalities, with a simple majority formula - i.e., the party that obtained the greatest number of votes won all seats on the town council; and the Central American Parliament, for which 20 Deputies were elected through proportional representation within a single national district.

Nine parties competed in those elections. On the right were: Alianza Republicana Nacionalista (ARENA), the party now in power; the Movimiento Auténtico Cristiano (MAC); and the Partido de Conciliación Nacional (PCN). In the center-right were: the Partido Demócrata Cristiano (PDC), the Movimiento de Solidaridad Nacional (MSN); and the Movimiento de Unidad (MU). And on the left: Movimiento Nacional Revolucionario (MNR); Convergencia Democrática (CD); and for the first time the FMLN participated. In the presidential race, six parties and one coalition participated (the left joined together in the Coalición MNR-CD-FMLN).

In his October 1993 report, the U.N. Secretary General stated that there were grave deficiencies in the voter registration rolls. The most serious of those related to the large number of citizens who were not registered or had no voter registration card. The campaign undertaken during the last half of 1993 and early 1994 resolved some of the problems identified. After the Register was closed on January 19, 1994, and the official voter roll was compiled, the ONUSAL Electoral Division stated: "a significant improvement in the conditions surrounding registration has been verified." This was possible due to the support and pressure brought to bear by various institutions, particularly through "the strategic and logistical support of the Electoral Division, with the collaboration of other ONUSAL components." According to ONUSAL, this Electoral Register was "more inclusive and cleaned up;" in numerical terms, "the Register may be considered satisfactory." (Secretary General's Report, February 18, 1994.) Regarding the composition of the Voter Registration Roll, it reportedly included some 2,700,000 persons, of which it is estimated that only 2,350,000 had their voter registration cards by March 12 when the process ended. (By March 1994, the Supreme Electoral Tribunal had issued 2,288,370 voter registration cards, and had 422,317 forms to be converted into cards, which gives a total of 2,710,687 persons on the official Register.)

The low voter turnout in the so-called "elections of the century" was surprising. In the presidential election, 1,307,657 votes were cast, representing only 48% of registered voters, or 56% of those with voter registration cards. A simplistic argument would be that this low turnout was the fruit of technical problems on the day of the election, along with voter apathy. However, the problem is a bit deeper, since it is an indication of the crisis within the parties - including the left - and of the limited effect of election campaigns.

In the first round of the presidential elections, ARENA won 49.03% of the votes, the FMLN-MNR-CD coalition got 24.90%, and the PDC won 16.36%. In the second round on April 24, ARENA won 68.35%, while the left coalition got 31.65% of the votes.

Those "elections of the century" were held in the context of a few technical irregularities that limited citizen participation. It has not been possible to quantify the impact of those problems on voting levels, but there is no basis on which to question the legitimacy of the process. Rather, the judgment

of the U.N. Secretary General must be accepted - i.e., that the March 20 elections took place under adequate conditions in terms of freedom, competitiveness and safety, and that in spite of the problems, "election results may be considered acceptable" (U.N. Secretary General's Report, March 31, 1994, pg. 7).

For more complete information on the 1994 elections, see El Salvador en Transición: el Proceso de Paz, las Elecciones Generales de 1994 y los Retos de la Governabilidad Democrática, by Ricardo Córdova Macías, published by FundaUngo, Documentos de Trabajo, July 1994.

G. DESCRIPTION OF THE MUNICIPALITIES IN ACTION PROGRAM (MEA)

Background

During 1986, GOES and USAID officials tried to find a mechanism through which emergency assistance could be channeled for small infrastructure projects in the towns and villages affected by the war. Several prior efforts in that direction carried out by the Comisión Nacional de Restauración de Areas (CONARA - National Commission for Area Restoration) had not been very successful, because outsiders did not know the needs of the localities in question, making it difficult in the midst of a war to find an effective and agile mechanism for determining needs. Attempts to utilize central government ministries, such as Public Works, Education or Health to provide small scale infrastructure quickly and cheaply also failed.

In 1986, the Municipal Code was approved (Legislative Assembly decree No. 274 of February 5), providing greater levels of autonomy to local governments and making them more responsive to citizen demands. Article 115 of the Code established the "Cabildo Abierto" (open town meeting) as the forum for reports to citizens by municipal authorities and for dealing with issues raised at the request of community members or the town council. These meetings were to be open to all residents.

When the Municipal Code was passed, the Cabildo Abierto mechanism was noted by a USAID official, who thought this would be an ideal way to measure the felt needs of the community, and that the newly empowered municipal councils provided excellent agencies for channeling its support for the Municipalities In Action (MEA) program.

In 1987, the MEA process began under CONARA. According to the 1994 Checchi evaluation of the MEA program: "To promote popular support for the government, USAID began to require that all infrastructure projects be identified at an open town meeting... All projects had to be identified by the community at a cabildo abierto, then prioritized and selected by the municipal council, over which the mayor presides. CONARA then transferred the funds for eligible projects to the mayors for implementation" (pg. I). The hope was that such projects would have the support of the local populace. Clear evidence of the realization of that hope is that there is no record of a single MEA infrastructure project having been attacked by the guerrillas during the remainder of the civil war.¹

¹ Harry Blair, John Booth, Ricardo Córdova and Mitchell Seligson, "Civil Society and Democratic Development in El Salvador. A CDIE Assessment," Final Draft, February 6, 1995).

By 1989, MEA was able to work in the entire country, with the exception of 19 northern municipalities controlled by the FMLN. (Checchi, 1994). By the time of the February 1994 evaluation, some 8,600 projects had been completed. Of those, 5,881 were completed with MEA funds, and 2,722 used funds from other sources, expending in this process about US\$135 million (Checchi, pgs. 42,49). As those evaluators pointed out, two features of the MEA program are worth noting. First, audits by Price Waterhouse show that less than one percent of the expenditures were of a questionable nature (pg. 41). Second, the SRN, implementor of the MEA program, argues that MEA projects were far more efficiently implemented than similar projects implemented by other government institutions.²

Finally, the 1994 MEA evaluation states: "Arising from the context of civil war, when virtually all government development programs were aimed at counter-insurgency, MEA turned into a vehicle for strengthening local democracy" (pg. 1)

The MEA Process

The MEA program was not initially, and has never been, a formal USAID project. Rather, it is a mechanism for transferring funds from the central government to municipalities. A USAID official defined it as "the solution for financing basic infrastructure projects in an agile manner."

One aspect of the MEA that should be noted is the formula used for municipal allocations. The Checchi evaluation notes, "Initially CONARA allocated an equal amount of funds to each municipality, but after 1990 it changed to a need-based formula" (pg. 1).

Municipalities have been classified according to the number of inhabitants: a) 11 municipalities with over 80,000; b) 18 with between 40,000 and 80,000; c) 27 between 20,000 and 40,000; and d) 205 with fewer than 20,000 inhabitants. An amount has been allocated to each grouping, proportional to the number of municipalities in that group. To establish the amount for each municipality within those groups, an allocation model consisting of four equations was designed; one for each classification. On reviewing these equations and the allocations generated, one observes that the population criterion has weighed heavily on the determination of allocations. These equations and the entire allocation process are explained in the 1990 MEA Action Plan.

The 1994 evaluation states that the MEA program uses an allocation formula that distributes funds to all municipalities (except the capital city of San Salvador) weighing factors "such as size, population, and relative poverty." Generally, the small rural municipalities are favored in the allocation process. (Checchi, pg. 39). In this regard, another study states: "The allocation of the funds for each municipality is based on a complex formula that appears to provide more funds for those areas with larger population concentrations. In practice, however, the allocations are almost identical for each municipality, large or small" (Blair, pg. 52).

² The SRN has stated that "infrastructure construction, such as health units, roads, municipal buildings, bridges, schools and others, carried out through municipalities has been shown to save an average of 44.8% compared with the cost of going through ministries, without counting the savings in time (transport) realized through the use of local labor." See: SRN NRP Evaluation and Report on Progress, August 1994.

The review conducted by the MSI evaluation team leads us to conclude that: 1) the allocations are almost identical for each municipality; 2) differences in allocations are related to the population criterion used; 3) when calculating allocations for different municipalities, consideration is not given to their relative poverty; and 4) no effort has been made to place more funds in the areas most affected by the war. In this regard, the 1995 Blair study states: "the areas in which the damage was the greatest tended to be the areas controlled by the FMLN during the war and therefore were not eligible for the pre-peace MEA funds disseminated during 1987-1991," and concludes that the net result "is that the reconstruction funding is not going to the zones in which the most damage was done. There is no catch-up provision to make up for the period 1987-1991, and there is no consideration of the extent of war damage in allocating MEA funds" (pg. 52). USAID notes that by 1991 there were only 19 municipalities in which the MEA program did not work.

Use of the MEA Mechanism Within the NRP

The MEA program initiated NRP activities on February 1, 1992, the first day of the official cease fire, with ESF-generated local currency pre-positioned for that purpose. This was possible because MEA had been operating during the latter part of the war, and because USAID had resources programmed for other activities that were reoriented in support of the NRP from the time it began.

The MEA program has two different USAID funding sources, both of which are channeled through the SRN. The first is called "regular MEA" and is oriented to those 146 municipalities not classified as having been affected by the armed conflict. The second is called "MEA-NRP" and is directed to the 115 municipalities within the ex-conflictive zone. The only difference between the two is that the average allocation per municipality is higher for MEA-NRP.

The MEA Plan of Action approved in October 1990 contemplated C161.5 million to be distributed among 261 municipalities (excluding San Salvador). In December 1991, C60 million were approved for the NRP contingency plan for the 115 municipalities. That is when the two funding sources were created: MEA-NRP was to have C60 million for the contingency phase, and US\$100 million was also to be allocated for MEA within the NRP. Meanwhile, "regular-MEA" was allocated the remainder of the C161.5 million for the 146 municipalities.

One complication connected with MEA-NRP funding has been that the US\$100 million originally contemplated within the NRP was increasingly adjusted downward, first to US\$80 million, then to US\$75 million and, finally, to US\$53.7 million. Implementation Letter No. 141 of May 22, 1995, allocates to the MEA-NRP program (project 519-0394) the sum of US\$37,832 million. There are an additional \$13.5 million in host country owned local currency and \$2.8 million from other existing projects that complement the funding available from project 0394.

The MEA program has been praised for its contribution to the NRP, and on having been an agile mechanism for channeling resources to municipalities for the construction of infrastructure. USAID officials have also pointed out the importance of MEA in the sense that it also reinforces local democracy by channeling the funds through municipal government.

Chapter IV -- EVALUATION OF USAID'S ASSISTANCE TO EL SALVADOR'S TRANSITION FROM WAR TO PEACE

This section will describe the principal forms of assistance provided by USAID to El Salvador to assist the transition from war to peace, and evaluate the effectiveness of that assistance. The analysis will be presented using the strategic objective (SO) framework adopted by USAID, and will therefore first evaluate the effectiveness of program interventions targeted at each of the four intermediate results identified in the framework. The final component of this section will analyze the contributions of the four intermediate results packages toward the planned level of strategic objective accomplishment.

The original project paper was approved and substantial program implementation activities undertaken (and even concluded) before the strategic objective framework was adopted. Some program activities relate to more than one intermediate result (e.g. agricultural credit and land transfer relate both to reactivating factors of production and to reintegrating ex-combatants). The effectiveness of the program interventions will be analyzed under only one of the intermediate results, although where appropriate comments will be made on the impact of the interventions on the other intermediate results.

A. FACTORS OF PRODUCTION REACTIVATED TO RESPOND TO ECONOMIC OPPORTUNITIES.

Introduction

This intermediate result focuses on the reactivation of productive capacity in the 115 municipalities that were most affected by the civil war and were thus targeted by the National Reconstruction Program (NRP). Specifically, program interventions were undertaken to increase access to training, agricultural and micro enterprise credit, and land, in order to increase the quantity and/or quality of the factors of production (land, labor and capital). Factor of production reactivation is also assisted by infrastructure projects, like road construction, which will be addressed under the next intermediate result analysis. Assistance was provided through both public sector and non-governmental organizations. Some of this assistance was provided outside the NRP region due to the need to obtain land to meet land transfer provisions of the Peace Accords. Finally, it is important to keep in mind the USAID's assistance complemented significant other donor and GOES assistance as described earlier.

Conditions in the NRP region during the armed conflict were extremely difficult. Several departments (Chalatenango and Morazan) were substantially depopulated as civilians moved to refugee camps in Honduras or to displaced person camps within El Salvador in order to escape the violence. In much of the NRP region, productive activity came to a halt. The evaluators repeatedly encountered communities that have only existed for a few years. When civilians began to return to the region, they frequently did so as part of groups that had formed during their refugee status, rather than attempting to return individually or as families to their original homes. Demobilized FMLN combatant groups were also granted land as productive units, rather than being dispersed to their original communities. There is thus only a very short (though intense) communal history among the

new settlements in much of the NRP region, and the sense of tradition that normally dominates life in rural communities in Central America is significantly lacking.

An important segment of the population of these areas was born or came into adulthood while living in exile or in combat, and had few productive skills and little concept of rural life. The quality of their “labor as a factor of production” is therefore even lower than normally encountered in rural Central America. The analysis of the effort to reactivate the factors of production must take into account the fact that much of the land had been fallow for up to twelve years, the labor was foreign to its environment, and the institutions that were needed to deliver capital to program beneficiaries either had no experience in the region, or had no experience with credit programs.

It is apparent that USAID/El Salvador’s objectives for productive factor reactivation under this program were limited in scope. First, the GOES National Reconstruction Program, and the associated USAID assistance, was not designed as a long-term effort to achieve sustainable economic growth. The SSO is linked to the Agency goal of “Lives saved, suffering reduced and development potential reinforced,” rather than to sustainable economic growth. The program goal emphasizes “sowing the seeds of future growth with equity,” rather than achieving it. While it is clear that the Mission recognized the importance of returning the land and the people of the NRP region to productive activity, the program focused on the reintegration of these resources into the economy rather than their long-term development.

Secondly, while the program’s resources and achievements are large, they still only affect a small portion of the region’s factors of production. USAID-funded reactivation assistance was targeted on ex-combatants, displaced persons, repatriated persons, and the other inhabitants of zones most affected by conflict. But assistance to obtain land, and a substantial portion of credit and training assistance, were focused on ex-combatants and on the civilian population associated with the FMLN (tenedores). The total population of the NRP area is estimated at 1.4 million persons. Assuming that the portion of this population that is economically active (EAP) is the same as for the rest of El Salvador (38.1%), USAID training assistance as described below has reached approximately 20% of the region’s labor resource, and credit programs have reached approximately 15%. The ex-combatants and tenedores upon whom program resources have been concentrated make up about 9% of the EAP of the NRP region (in reality, many of the former ESAF combatants have settled outside the NRP region so this percentage would be even lower).

A 1994 classification of soils in El Salvador by the Ministry of Agriculture breaks down 1,986,272 hectares of “agricultural” land into various use categories. We do not have comprehensive information on the portion of land located in the 115 NRP municipalities that is arable, but it would be less than for the country as a whole as a significant portion of the NRP region is characterized by mountainous terrain and poor soils, and another area is subject to frequent flooding. Table 2 presents a breakdown of the land quality for the country as a whole and for two departments with a high concentration of NRP municipalities.

Table 2
Agricultural Soil Classification
Percent of soils by soil category

	I/II	III/IV	V/VI	VII/VIII
El Salvador	6.0	28.7	11.9	53.3
Chalatenango	0.8	13.6	8.5	77.1
Morazan	0.5	16.5	3.8	79.1

Note: Quality declines from I (best) to VIII (worst).

As of April 30, 1996, approximately 78,000 hectares of land had been transferred with USAID assistance. A 1995 census of the land transfer program indicated that 22% of the land transferred was ecologically fragile, leaving about 60,800 hectares as arable land transferred to program beneficiaries. A very rough estimate would place this at less than 10% of the arable land in the NRP zone.

While important, the USAID assisted activities were incapable of and were not really intended to “reactivate the factors of production,” but were rather focused on laying the ground work for this reactivation and on supporting the demobilization and reintegration of combatants. It is against these strategically critical but more confined objectives that the following analysis will be carried out.

USAID has identified four indicators for measuring success in accomplishing the reactivation of the factors of production. Each of these indicators will be analyzed separately, beginning with the statistics on accomplishments as reported by USAID, based on information provided by participating institutions or on surveys it has commissioned, compared with the targets (actual accomplishments shown for fiscal year 1996 are for first six months, to March 31, 1996). Following the statistical presentation, the evaluators will comment on their finding concerning the nature of the accomplishments, and summarize specific conclusions and recommendations.

1. Indicator 1: Men and women trained under NRP

Table 3
Men and women trained under NRP

FY	Planned			Actual		
	Male	Female	Total	Male	Female	Total
1992	4,000	250	4,250	3,960	600	4,560
1993	11,800	3,000	14,800	17,927	2,849	20,416
1994	15,512	3,317	18,829	29,505	9,822	39,327
1995	6,533	1,767	8,300	11,535	11,607	23,142
1996	3,399	1,449	4,844	2,719	1,801	4,520

Findings

The total number of people trained with USAID assistance under the NRP as of March, 1996, is 91,965, versus a target of 51,023, indicating that the target was surpassed by 80%. Of the total people trained, 26% were ex-combatants (including former National Police) and the remainder were civilians. It is important to note that 29% of those trained were women, versus a target participation of 19%. This is a massive number of people to train in a short period of time, and the program has been highly successful in meeting these targets.

The need for a large training program was envisioned early in the development of the National Reconstruction Plan. After spending many years at war, the combatants lacked skills that would enable them to find employment and generate incomes. As one interviewee commented, the only calluses on the hand of the ex-combatants were on their trigger fingers. Many of these individuals had poor if any schooling before joining their respective groups. Of the 25,040 beneficiaries of the NRP land transfer program as of June 1995, 44% were illiterate.

While the need for training was recognized early in the NRP design, a number of obstacles impeded the efficient planning and execution of the training. To plan a training program of this nature, the designer needs a thorough understanding of the employment opportunities in the economy for the trainees, and an in-depth understanding of the current skills, education levels, and interests of those to receive the training. Most of the NRP region was unreachable at the time this Program was designed, due to the on-going conflict. While interviews could be held with soldiers in the Salvadoran Army to assess skills and interests, contact with the guerilla forces was not possible. Once the Peace Accords were signed, consultation with both forces was carried out, but there was immense pressure to initiate the first training courses. Within a year of the signing of the Peace Accords, 6,300 FMLN and 200 ESAF ex-combatants had received agricultural training, and 1,600 FMLN and 3,000 ESAF had received vocational skills training. Considering the time required to complete training program design, negotiate approval from GOES, FMLN, and USAID leadership, and set up the courses, it is clear that the program initiated very quickly.

The training program initially contemplated four month long courses, during which the trainee would receive a monthly stipend to cover living costs. Course lengths were subsequently extended to six months due to complaints that the courses did not impart enough skills (but perhaps also to extend the stipend period). Under the initial design of the training program, prospective trainees were to first receive counseling to identify interests and skills, so that they could be assigned to the most appropriate course. However, the FMLN leadership objected to allowing counselors to interview individual combatants, and insisted on managing the course assignments directly through the existing command structure. The ESAF leadership then insisted on the same arrangement. It is apparent that there was little if any consultation with the specific individuals to be trained; rather, they were unilaterally assigned to training activities by their leaders.

Actual attendance at the training events was very low. During focus group and key informant interviews during this evaluation, many of those interviewed complained that the level of training was too academic for their capabilities. Most training courses were to include basic administrative skills as well as the technical area of specialization, but as one informant commented, this resulted in professionals describing double entry bookkeeping to illiterates. It was frequently commented that

the trainees remained in their programs in order to receive the stipend for living costs. Although the ESAF soldiers had received a mustering out payment, no such payment was available to the FMLN combatants, and the training stipend was the only funding available to assist with their transition.

The Fundación Empresarial para el Desarrollo Educativo (FEPADE) was one of the first organizations to offer training to the FMLN and ESAF ex-combatants, initially under the USAID Training for Productivity and Competitiveness project, and FEPADE provided training to over 20,000 trainees since the NRP program was initiated. Although they were unable to visit many of the areas where the combatants were to be settled, in early 1992 FEPADE prepared a document entitled “A Diagnosis of the Possibilities for Training and Institutional Cooperation in the Reconstruction Areas.” This document contains an assessment of the demand for various types of training themes, based on knowledge of the economy of the region and conversations with GOES, ESAF, and FMLN leadership.

The following chart from the FEPADE Diagnosis shows the eight areas of training selected, the priority assigned to each, and the percentage of the total planned training activity to be assigned to each subject. Although agricultural training was expected to draw the greatest number of trainees, training in construction skills was assigned higher priority due to the anticipated need for workers with these skills to implement the massive reconstruction program that was about to begin. The level of emphasis to be assigned to each subject was based on three criteria: first, the demand for the course and number of participants proposed by the FMLN and ESAF; secondly, the needs of institutions involved in production projects, and thirdly, the geographic location of the participants and the local development potential of these areas.

Table 4
Initial Training Priorities

Priority	Training Subject	% of total training
1	Construction	15
2	Agricultural and livestock	45
3	Automotive and agricultural mechanics	10
4	Sewing/tailoring	10
5	Administration	7
6	Computers	5
7	Electronics	5
8	Tourism	3

Construction skills were needed both for the massive investment in repairing roads, schools, health clinics, community centers, etc., and for construction of ex-combatant housing. Training offered included masonry, welding, carpentry, residential installations, etc.

The greatest demand for courses was for agricultural and livestock training, due to the agricultural economy of the regions included in the NRP. The greatest interest was in non-traditional export crops, as these were considered to have the greatest income potential. These were followed by coffee production and then livestock.

The inclusion of automotive and agricultural equipment mechanics was based on the expectation that these skills would be required for the agroindustrial activities resulting from the investment in non-traditional crop production. Sewing was included as a priority skill due to the expectation that the maquila industry would move into the NRP region and need skilled employees.

Although the design of this training program and of the others carried out under the NRP was logical, a number of externalities interfered with their execution. Many of the ex-combatants had no idea what skills they needed, and even if they did they were often arbitrarily assigned to other courses by their leaders. Many attended agricultural training courses despite having little interest in the subject, because these were some of the earliest courses offered and the FMLN troops (having not received severance pay) needed to attend a course in order to get a stipend so they could eat. Also, if an ex-combatant opted for skills training for microenterprise activities and credit, he would not have access to land, as the land transfer program was reserved for those who opted for agricultural training and credit. Without land, the ex-combatant had no place to settle his or her family. In sum, many of the trainees had little interest in the subject matter of the training provided to them.

Secondly, many of the training subjects selected required a certain level of preparation. As mentioned earlier, a number of the trainees were illiterate. To be successful in any of these subject matters, a basic level of literacy and simple mathematical computations is necessary, and many of the former combatants lacked these skills.

Third, many of the economic activities envisioned by the training planners never materialized. Production of non-traditional export crops requires more than basic level agricultural training. Such crops are highly susceptible to pests that can quickly destroy the crop, and the identification of the pest and diagnosis of the appropriate treatment requires university level training, so that highly qualified supportive technical assistance is essential. Marketing of the crops is also highly sophisticated and cannot be undertaken successfully by partially trained farmers. Although considerable school and health clinic repair has taken place, this does not offer sustained employment, and the reconstruction of roads in the region required unskilled labor, not masons or carpenters. Total funding for housing has been less than anticipated, and maquila industries have not been concentrated in the NRP region.

Finally, there were many other demands on trainee time, which reduced and made inconsistent their participation in the training courses. As land sites were identified for specific ex-combatant or teneador groups, the members of the group needed to visit the site to approve its selection, participate in negotiations for purchase, and attend meetings to sign titles. As several potential sites often had to be considered before final selection was made, and as the meetings often had to be repeated due to failure of some members of the farmer group to show up, trainee absence from training courses to attend these events was frequent.

The eight CID/GALLUP surveys of ex-combatants that have been conducted between June 1993 and January 1996 reveal that on average only 25% of those ex-combatants trained are working in the area for which they were trained (the percentage is the same for former FMLN and ESAF troops). For tenedores, only 20% are working in the field for which trained. These low percentages are reportedly due primarily to the lack of job opportunities in the areas for which the individuals were trained, but the low level of skill absorption is also a major problem. Some would argue that vocational training of the unemployed frequently produces poor post-training employment statistics, but there are many examples to the contrary (e.g. vocational training activities in Honduras).

Skills training for the demobilized National Police forces was among the last training to be undertaken. In designing this program, CREA effectively applied the lessons learned from the problems encountered by prior training programs. A key factor making the National Police training courses more effective is the fact that counselors met with each prospective trainee and assisted him or her to identify areas of interest and ability before assigning him or her to a specific course and before completing design of the course. As noted earlier, this service was also offered to FMLN and ESAF ex-combatants but their organizations refused participation.

Training activities have also been sponsored by the European Economic Community. Although the first of these programs had considerable attendance problems, the current program is reported to be more successful. The EEC undertook its program based on an extensive survey of the skills needs identified by businesses in El Salvador, and this assessment is presently being updated and should serve as a very useful information base for all future programs.

Conclusions

1. In a short period of time a massive amount of training has been provided to the ex-combatants and tenedores in compliance with the Peace Accords.
2. The training courses provided were designed based upon expectations about the evolution of the reconstruction projects and planned economic activities of the NRP region, but these expectations turned out to be unrealistic.
3. Few of the trainees are now working in the areas for which they were trained, and off-farm employment opportunities are minimal.

Recommendations

1. Given the chaotic conditions characteristic of a demobilization, it would be better and less expensive to provide a demobilization stipend or other form of payment that is not tied to attendance at a technically focused training program. The design of training activities could then be carried out with more time and greater knowledge of trainee needs and desires, as well as a more realistic assessment of skills demanded by the economy. It would still be useful, however, to provide those being demobilized with general orientation programs to assist them with reentry issues.

2. It is essential that trainees be consulted directly about their interests before being assigned to a training program, and if this is not possible the training program should be postponed.
3. Considerable flexibility is required in the implementation of training courses, to assure that they are appropriate to the needs and abilities of the trainees who actually attend.

2. Indicator 2: Clients receiving credit

Table 5
Clients receiving credit

FY	Planned			Actual		
	Male	Female	Total	Male	Female	Total
1991	6,500	900	7,400	6,650	6,200	12,850
1992	14,575	2,325	16,900	7,250	450	7,700
1993	19,200	19,200	38,400	20,363	8,798	29,160
1994	11,320	2,834	14,154	5,180	3,864	9,044
1995	4,128	3,012	7,140	16,904	4,605	21,509
1996	2,400	600	3,000	N/A	N/A	4,201

Findings

Omitting the base year of 1991, the total number of credit recipients since the signing of the Peace Accords (actually since 10/1/91, three and a half months before the Accords) was 71,614 versus the planned level of 76,594. A separate USAID report of credit recipients by lending institution prepared in January 1996 shows 80,263 recipients as of 9/30/95. There is some amount of double counting of credit recipients in both of these tallies, as some borrowers have received loans from two or more separate lending institutions. Whichever figures are used, the massive number of credit recipients planned for the program has been substantially achieved.

Both Amendment 1 to the Project Paper and the Mid-term Evaluation comment on the inadequacy of the credit program during the first year or two after the Peace Accords were signed, and on the remedies that were being taken to accelerate the delivery of credit resources. One of the most politically sensitive provisions of the Accords was that the demobilized ex-combatants be provided land and credit in a timely manner. Similarly, non-combatants in the affected zones urgently needed credit to become self-supporting. Considering the chaotic process that characterized such a demobilization, the absence of personal identifying documents (let alone guarantees), the chronic organizational weaknesses of the lending institutions, the damaged road network, and the level of mutual distrust that prevailed among the former warring parties, it is truly remarkable that such a massive lending operation successfully delivered resources to such a massive group of people.

The data on credit recipients include both agricultural and microenterprise loans, although 80% of the borrowers as of 9/30/95 received agricultural credit. Before farmers could use credit to plant they first needed land, and both farmers and micro-business owners required training before they could use credit effectively. Land distribution has been a slow process as will be discussed in section IV.A.4. below. The training activities that were quickly organized were not based on an adequate assessment of either the participant's interests or the market demand for the skills being imparted, due to lack of desire from participants to participate in counseling activities. It is now apparent that the pressure to disburse large amounts of credit quickly over-powered the institutional capability of many of the lending organizations to properly evaluate and monitor credit recipients. A significant portion of the credit provided in response to the Peace Accords is not recoverable, according to interviews with representatives of these institutions and with a cross section of borrowers.

The reasons for the high rate of delinquency or non-performance in the portfolio include the following:

- belief by ex-combatants that the credit delivered was payment for service during the conflict rather than a loan,
- lack of experience among borrowers with the productive activities financed with the loans,
- active promotion of non-payment by some organizations,
- abject poverty of the borrowers, who used the resources for food, shelter, and other necessities,
- marginal productivity of much of the land transferred (on credit) to the program beneficiaries,
- two years of drought and one of excessive rains, which severely damaged crops,
- unfamiliarity of land recipients with the ecology of the areas settled,
- belief that resources donated by the U.S. and others should be passed on as grants rather than loans,
- loan disbursements received too late in the planting season or with insufficient time to arrange for winter feed for livestock purchased,
- inexperience of some NGOs with credit programs,
- malfeasance or misuse of the resources by borrowers.

Some groups interviewed during the evaluation asserted that they in fact have funds available to make their payments, but feel pressure from other borrowers to withhold payment. The recent decision by the GOES to forgive 70% of a broad array of loans related to the agrarian debt (but not including agricultural credit provided under the Peace Accords) has caused considerable confusion and created additional incentives for beneficiaries not to service these loans.

Many of the loans provided by the Banco de Fomento Agropecuario (BFA) and even NGO microenterprise lenders were used to purchase cattle. Several groups claimed that the BFA restricted use of the loans to this purpose, although the BFA representatives deny this. Reportedly, a number of borrowers requested the money for cattle purchase because they could account for the use of the loan resources and then sell the cattle and use the funds received for consumption. Many of the loan recipients visited claimed that they had used loan resources to purchase cattle that were subsequently stolen or died due to poor feed. Many agency observers commented that inexperienced borrowers

paid too much for cattle purchased and/or sold them too cheaply, and that the cattle were poorly taken care of and not well fed during the dry season, leading to many losses.

The BFA has financed 54% of the beneficiaries of agricultural loans under the program, and the CID/GALLUP surveys in 1994 and 1995 indicate that the BFA is the source of funding for between 70 and 80% of the ex-combatants and tenedores. A large portion of the NRP trust fund in the BFA is of doubtful recovery, according to bank officials, field agents, and farmer groups. Thus far there has been no repayment of capital on over C 300 million (\$34.6 million) of loans made to ex-combatants, tenedores and civilians under the NRP, but as the loans were granted for five years with a one year grace period, the amount of principal actually due to date is only a portion of the total. Unfortunately, the BFA has not begun to maintain statistics on the delinquency within the trust fund. The BFA program for ex-combatants entitles them to receive an initial loan for C15,580, and a second one for an additional C8,000 if the borrower pays interest due within one year of the first disbursement. Despite this easy access to additional capital, only about 10% of the first year's interest payments due have been paid. In the areas with substantial NRP loan activity, the BFA has set up separate offices to deal with this clientele, with the stated intent of not "corrupting" normal clients with the program beneficiaries' belief in their right to not repay loans.

The BFA loans per individual borrower were much larger than those provided by most of the NGOs. The initial loan size of up to C15,580 and the potential to raise the total loan to C23,580, means that each of the newly land owning, poorly trained beneficiaries of the program had the potential of obtaining the equivalent of \$2,918 (at 1991 exchange rates), which is 156% of per capita annual GNP at 1991 price levels (\$1,870), and 437% of the 1992 nominal annual rural salary level (UNDP data). In addition, these individuals owe an average of C25,684 for their land (30 year financing at 6% interest), many have C12,000 housing loans (15 year loans at 5%), and many have small additional loans from NGOs to assist with annual basic grain production. An NGO in the Cuscatlan Department provided the evaluators with an analysis of the debt of a typical campesino beneficiary, which indicates that the total annual debt servicing requirement is about C11,500 per family. The same study estimates that each family needs approximately C12,000 (\$115 per month) for living costs, so that total annual income must be C23,500 (about \$2,700) to be able to survive and also service the loans. The 1995 OCTA census of NRP farmer beneficiaries calculates the total value of 1994/95 agricultural produce sold by the beneficiaries to be C17.6 million, or C704 per beneficiary. A 1995 UNDP analysis of the NRP land beneficiaries indicates that unless a substantial investment is made in technical assistance and new lines of credit, and crop diversification for some farms, the beneficiaries will be incapable of servicing their debts.

The SRN guidelines for BFA lending established ceilings of C 15,580 for ex-combatant loans, and C 8,000 for tenedores, and some BFA officials commented on measures taken to supervise disbursement only for those amounts actually required for the productive activity. However, information included in the GOES April 30, 1996, report on implementation of the Peace Accords indicates that the average BFA loan for ex-combatants was C 15,028, and for tenedores C 7,930, both near the maximum permitted.

The Legislative Assembly approved on May 9, 1996, a Government of El Salvador proposal to forgive 70% of certain types of agricultural loans, if the borrowers pay on an accelerated basis the remaining 30%. While details on the approved measure are not yet available, it would appear that

the payments due by NRP beneficiaries for land purchase would be covered by the law, but their other loans would not. As the land financing is payable over 30 years with a 4 year grace period and 6% interest rate, the annual servicing requirements for this debt are less than one fifth of the total annual payment on debt (approximately C1,975 annually once payment on capital begins). In any case, the NRP beneficiaries would be unable to meet the accelerated payment provision of the law. (It has been suggested that they could sell a portion of their land to do so, but it is unlikely that there are many buyers for thousands of small plots of relatively poor land scattered throughout the countryside.) The decision to forgive other agricultural debt, however, has raised expectations among NRP loan recipients for future forgiveness and has provided a further disincentive for repayment for those that could do so.

There were also relatively high delinquency rates in credit programs created by other institutions, particularly those that were initiated during the early stages of the peace process. FEDECREDITO has experienced an estimated 64% recovery rate on loans made with SRN micro enterprise resources (including cattle lending). Only 14% of the capital payments due to TECHNOSERVE on its micro enterprise lending program have been paid, although TECHNOSERVE reports very high recovery rates on loans to civilians in the NRP region under a later program. FUSADES' PROPEMI program has a delinquency of about 25%. The CRS FRATA program received repayment of about 70% of resources lent for agricultural activities. After two years, the FRATA resources were granted to the borrowing communities, so total delinquency of the program cannot be calculated. These institutions commented on the fact that the lending environment early in the program was not supportive. However, these lending activities did support demobilization. The FRATA program provided up to C1,200 for basic grain production to FMLN combatants as they left their demobilization centers, and CRS believes that this was a positive factor in achieving their disarmament.

As Dr. Claudio Gonzalez Vega has pointed out, those institutions that most successfully manage credit programs are those that charge market interest rates and that are financially self-sufficient. Credit programs undertaken more recently by NGOs such as CARE, FUSAI, CORDES, CRS, CLUSA/PROESA, and several other NGOs appear to be well managed and are in a better position to control delinquency, although even some of these currently have relatively high delinquency rates due to unfavorable weather conditions, and several have questionable possibilities for self-sufficiency. The average size of loans granted by these entities is much smaller than those provided by the BFA (CARE lends up to C4,000 per farmer, and CRS lends up to C5,000 for diversified crops). This lowers their exposure and provides individuals with low initial levels of indebtedness that are more manageable. The NGOs also integrate their lending activity into a package of services that increase the creditworthiness of the projects. CARE, for example, helps farmers to obtain individual titles to land in group farms (this issue will be discussed in depth in section IV.A.4. below), thus increasing their investment security. CLUSA/PROESA and CRS provide assistance with marketing, and all of these NGOs provide technical advice on production techniques. FUSAI provides very small micro enterprise loans to a rapidly growing clientele in a well directed program. NGOs work through local cooperatives or borrower associations, which are in a better position to judge client creditworthiness, monitor loan performance, and exert local pressure to obtain loan repayment. Finally, loans to civilians in the NRP region reportedly have higher rates of recovery, as several of the factors cited on page __ do not apply to these clients.

CARE maintains very good statistics to control delinquency, calculating both recovery rate (payments received divided by total payments due) and exposure (amount of loans with delinquent payments divided by total portfolio). As of 4/30/96, 21% of its payments are late and 53% of its outstanding loans have some amount of overdue payments (this figure appears very large but the currently outstanding loans are those left over unpaid from last year's crop cycle after a substantial amount of last year's loans have already been recovered, so a high rate at this time of year is not so dramatic). The 21% delinquency is due primarily to climatic problems affecting last year's crops.

A separate evaluation and preparation of a strategy proposal for assistance by USAID/El Salvador to a limited set of micro enterprise lenders has just been completed. This analysis has identified high, unsustainable delinquency rates as common to the micro enterprise lenders in that program, with a few healthy exceptions. Inadequate management discipline is the primary cause, and the attitude that developed after signature of the Peace Accords that credit must be delivered but not necessarily repaid is an issue that now must be overcome if this sector is to progress. Appropriate norms and standards for micro enterprise lending were found to not be sufficiently developed or uniformly accepted among the various entities providing micro enterprise loans under that program. Multi-year funding sources are virtually non-existent for this sector, which greatly limits growth potential. Finally, while it is not anticipated that the micro enterprise lenders should also be responsible for training, further integration of training and credit is needed to maximize the value of both.

The European Economic Community (EEC) has undertaken an integrated program to assist NRP land beneficiaries in the Usulután Department. This program provides assistance with individual titling (*parcelización*) of group land, agricultural technical assistance and training, agricultural credit, and housing loans. The average loan size granted by the EEC project (C1,800 to C2,500 per farmer) is much more limited than that provided by the BFA. The EEC program had problems coordinating with other donor and GOES programs during its first years of operation, and has recently run into a problem with its titling component, but technicians with other agencies and farmer groups in the Usulután area perceived it as a beneficial program with considerable potential for assisting NRP beneficiaries to increase production. Delinquency under this program is very high (80 %), due to the two years of drought and one year of excessive rains that affected its area of concentration, but also due to the lack of credit discipline found throughout the countryside.

Of the total credit recipients under the NRP program, 30% were women, which is a relatively high percentage for such programs in Latin America, especially in a portfolio so heavily weighted toward agriculture. However, gender distinctions in credit activities have been inadequately tracked, except by the EEC, CARE, and a few other NGOs. The BFA maintained separate analyses of loans by male and female borrowers through 1994, but reportedly after a change in bank management this was discontinued. An analysis is made every six months of the number of new loan approvals on a sex disaggregated basis in order to meet USAID's reporting requirements, but this analysis is not maintained on a current basis by the bank. No effort is made to disaggregate loan amounts or delinquency rates. The CARE statistics indicate that 23.8% of borrowers are women, who have received 25.1% of the total amount loaned. Loan recovery rates are similar for male and female borrowers. The EEC has had almost 100% repayment by female borrowers, despite the fact that in total 80% of its portfolio is delinquent. Micro enterprise lenders deal primarily with women borrowers, while agricultural lending institutions mainly deal with men.

The focus group discussions and key informant interviews that the MSI team conducted with twenty different producer groups in the Departments of Chalatenango, Morazan, Cuscatlan, Cabañas, Usulután, and San Vicente contributed strongly to this appraisal of the NRP credit program. The consistent message was that the credit was received at a time when the borrowers had just reentered society with no means of sustaining themselves or their families. The resources were therefore used first to meet basic needs. It is also apparent that some of these resources have been invested by returning ex-combatants and displaced persons to establish a typical rural subsistence life style, and that economic activity has been restarted.

Conclusions

1. The variance between performance of the BFA credit program on the one hand, and NGO and EEC programs on the other, is principally due to the difference between extensive and intensive approaches to credit delivery. The BFA was tasked with the political objective of delivering relatively large loans, in a pre-established amount that appears rarely based on individual farmer need, to a large number of inexperienced borrowers in order to achieve their demobilization.
2. The 1994 mid-term evaluation criticized some of the NGO loan activities for providing loan amounts that were too small to allow borrowers to undertake anything but subsistence agriculture, and praised the BFA program for providing loans that could lift the borrowers out of poverty. It is now apparent that the NGO approach of providing loans in amounts that the borrowers could effectively manage has been a more effective approach to integrating them into the financial system.
3. The more intensive, integrated-service approach used by the NGOs and the EEC, and the effort to work through local level cooperatives and associations, while more costly initially, provides greater assurance that loan resources will be used productively and repaid, and offers much greater long-term development potential. It would not have been possible to design and execute this intensive approach during the early stage of the peace process, however, and this approach would have failed to meet the political imperative of providing a demobilization incentive.
4. The total accumulated debt of the ex-combatants exceeds their repayment capability. This is now a divisive issue, with the FMLN political party arguing for total forgiveness, and the governing ARENA party resisting. As the grace period for these loans is now expiring, growing indices of delinquency can be anticipated, and this will cut the former combatants off from access to additional credit resources. This will also result in reduced production (to be discussed in IV.A.4. below), and will surely have significant political ramifications (alienation of the ex-combatants and potential violence).
5. The failure of the BFA and many of the NGOs to maintain adequate gender disaggregated statistics on the lending activity (other than number of borrowers by gender as required by USAID) undercuts efforts to determine whether female borrowers are discriminated against or need any distinct forms of assistance. USAID does receive, in keeping with the definition of the result indicator, gender disaggregated data on the total number of loan beneficiaries

(30% of whom are female), but there is no apparent effort to date to use this information for program management and as of 9/30/95 it is no longer included in semi-annual project reporting.

6. Unfavorable weather has had a significant, negative impact on loan repayment, with droughts in 1993 and 1994, and excessive rains late in the 1995 growing season that caused substantial yield losses for crops not yet harvested.
7. The political nature of the land transfer process in the NRP region, the extreme poverty and inexperience with farming and other productive activities of the borrowers, and the widespread belief that ex-combatants were owed a payment for their years of service to one side or the other of the conflict, seriously undermined the credibility of the credit programs. It would have been better (and less costly) to have negotiated a small grant for resettlement for each of the ex-combatants, thus insulating the credit program from these demands. Getting these individuals to recognize repayment obligations in future programs will now be much more difficult.
8. It is highly indicative that the indicator for this intermediate result is defined in terms of number of loans granted, emphasizing the political need to provide a large number of people with credit very quickly. A more appropriate measure of “reactivation of the factors of production” would have been the total amount of loans (capital) disbursed and recovered, or the number of stable channels for loan activity (and possibly even for savings mobilization) created or consolidated. However, as the Peace Accords merely required timely access to credit, the existing results indicator may be appropriate.

Recommendations

1. USAID should undertake with the GOES (and possibly with the UNDP) an in-depth analysis of repayment potential of the credit beneficiaries under the NRP, and jointly identify policy options to address the apparent insolvency of this sector.
2. All institutions managing credit resources under the NRP should be required to report quarterly on delinquency and portfolio exposure rates in order to assure on-going monitoring of this issue. Credit institutions should also be required to report statistics on number of borrowers, amounts of loans, and delinquency on a sex disaggregated basis.
3. If new credit programs are undertaken, or additional funding is provided through existing channels, priority should be given to those that have a longer-term development focus, integrating credit with other services and working through local cooperatives and associations. Those credit channels that closely link to savings mobilization should also be strengthened so as to begin to form a true capital base to assure sustainable growth.
4. Any new credit activities should focus on the broader community of potential producers, not on the ex-combatants and tenedores.

5. Any massive credit program should contemplate construction of a common data base of borrowers that could be shared among the various participating institutions to eliminate potential for duplicate loans to the same borrower from different institutions.
3. **Indicator 3: Beneficiaries (percent) with increased income after receiving both training and credit**

Table 6
Beneficiaries (percent) with increased income
after receiving both training and credit

FY	Planned		Actual	
	Male	Female	Male	Female
1995	60	70	64.8	67.4
1996	65	75	N/A	N/A

Findings

The actual percentages for increased income reported above are taken from USAID semi-annual reports. Accomplishment figures are based on a survey conducted by the firm Daniel Carr and Associates of beneficiaries of various credit programs managed by the BFA and various NGOs. The Carr report estimates an average increase of 35% in family income among ex-combatants since they were demobilized. The report also indicates, however, that 67% of the ex-combatants are dissatisfied with their present economic situation, with only 20% satisfied.

Annex H presents the results of an analysis carried out by the MSI team which provides several recommendations to improve the utility and analysis of these surveys. Several issues lead the MSI team to conclude that the Carr survey is not at this time an adequate source to establish the impact of training and credit on beneficiary income:

- a. Whether change in income has occurred or not is based on recall data, i.e. the respondent is asked to comment if he or she believes that income now is greater than that received prior to the credit. Recall data is frequently weak, and is potentially more so in this case where many respondents apparently saw the interviewer as being associated with the lending institution, with whom many have delinquent accounts.
- b. No control group was included in the study. This is a serious concern as one cannot assume that the perceived increased income of the respondents was created by the credit program unless other potential sources of increased income are eliminated. For example, according to the Oficina de Analisis de Politicas Agropecuarias of the Ministerio de Agricultura y Ganaderia,³ a principal source of rural income is “remesas,” money sent to relatives by

³ OAPA/Ministerio de Agricultura y Ganaderia, El Salvador, El Sector Agropecuario en Cifras y Graficas, December, 1995.

friends and family living in the United States. If an individual interviewed for the Carr study happened to have received an increase in the level of remesas received, he or she would report higher income irrespective of the impact of the credit program.

- c. The Carr report also attempts to distinguish which implementing institutions achieved the greatest impact on increased income through their credit programs, but the sample size on a per institution basis is very small and limits the confidence of the results. The analysis of the Carr data also did not adequately compensate for extraneous factors that might have affected the results of the different institutions, such as the general education level of the beneficiaries.

The fact that the Carr survey asked for actual income information does create a data base that will make future such surveys more useful, although it would be best if a control group could be added at this time (which is still close to the same time period as the initial survey).

The final report prepared by Creative Associates in February 1996 based on interviews with 1,008 ex-combatants also contains information on income levels. Fifty-six percent of those surveyed indicated that their incomes are now higher than when demobilized, and 57% expect that their incomes will be higher next year. The Creative Associates analysis does not have an adequate control group to determine how these results compare with the general population. In contrast, a survey of 200 ex-combatants by FundaUngo in 1994 revealed that 58% of the former ESAF and 44% of the former FMLN considered that they were better off five years earlier (i.e. during the war).

The more recent of the series of CID/GALLUP surveys asks specific questions about both training and credit, and the impact on income of each. These surveys cover ex-combatants and tenedores only, so the civilian population is not measured, but they do provide a basis for analysis. Reports on the results of these surveys provide interesting information, but it is difficult to analyze changes in responses between each survey as the population surveyed varies and there is no attempt to allow for possible differences between the survey populations (age levels, education, etc.). The MSI team was able to obtain through USAID the original data sets for surveys 5 through 9 (9/94, 1/95, 6/95, 9/95, and 1/96), as well as the questionnaires and coding sheets, and to reformat the data base in a unified matrix subject to statistical analysis.

The results of this analysis are presented below:

Table 7
Impact of Credit on Income
Percentage of Ex-combatants Indicating Greater Income Due to Credit

Year and Month	Tenedores	Ex-combatants Combined	FMLN	ESAF
1994 October	47	55	41	72
1995 February	40	43	47	38
1996 January	46	29	34	13

Table 8
Impact of Training on Income
Percentage of Ex-combatants Indicating Greater Income Due to Training

Year and Month	Tenedores	Ex-combatants Combined	FMLN	ESAF
1994 October	64	54	23	77
1995 February	100	48	92	66
1996 January	57	38	50	33

These charts indicate that there has been a dramatic decline over time in the percentage of Ex-combatants that state that credit has improved their income. There is no apparent pattern to their perception of the impact of training on income, and this may be due to other extraneous factors or to the varying quality of the training programs attended by a specific years sample population.

As noted earlier, the MSI team conducted focus group discussions and key informant interviews with NRP beneficiaries in twenty different producer groups in the Departments of Chalatenango, Morazan, Cuscatlan, Cabañas, Usulután, and San Vicente. While the credit resources were initially used to meet basic needs, it is also clear that the ex-combatants and displaced persons have invested some portion of these resources to return themselves to a rural subsistence life style, and that economic activity has been restarted. Although some individuals felt that they are now worse off than before due to their indebtedness (“Antes fui pobre, y ahora soy pobre con deuda.”), other individuals have faith in their ability to produce and earn a better future. The members of the El Gigante cooperative in Morazan commented on the income they are receiving from exporting organic coffee from a farm that is organic because it was abandoned during the twelve years of the war, and is now being managed using organic inputs they have learned how to produce from USAID contractor CLUSA.

Of the 102 families who received a farm in the Comunidad Papautera in Cuscatlan, 37 have departed. The 65 remaining have a productive farm of 260 hectares, on which they produce coffee, sugar cane, vegetables, and basic grains, and have pasture for 221 cattle. Thirty hectares are set aside as a forest reserve. The community is receiving assistance from CORDES, Fundación 16 de Enero,

FEDECOPADE, and CENTA to increase their incomes. This community is still poor and working to obtain basic services and housing, but the seeds for future growth have been sown.

Information is simply not available to measure accurately how much income has been generated as of this date by the investment in training and credit for the NRP beneficiaries. The various surveys cited, despite the technical design issues, do indicate that incomes have risen for the majority of the ex-combatants, and USAID's assistance certainly has contributed to this. The basis of comparison for the ex-combatants, however, may be against a period of abject poverty following demobilization, and their income levels today are probably typical of the poverty that is endemic in the regions where they live. Remittances are also a leading source of rural income and distort survey results.

Experience with land settlement programs throughout Latin America argues that the time horizon to date is far too short to begin to measure the impact of these investments. Some areas visited reminded the evaluators of land reform asentamientos on the south coast of Guatemala or southern Costa Rica in the late 1960s, which at that time were areas of extreme poverty and bare survival. It took ten to fifteen years before these areas began to have active growth and significant productive activity. With time and steady investment of sweat labor, proud new land owners can overcome tremendous obstacles. The real question is the one implicit in the USAID/El Salvador goal statement for this program. Have the seeds for growth been sown? Despite the present difficulties that the focus groups interviewed by the MSI team are presently experiencing, one must conclude that the answer to this question is affirmative.

There still exist critical constraints to the development of the former conflictive region, however, that must be addressed if these areas are to achieve sustainable economic growth and higher incomes. In many areas infrastructure is still a constraint, and even some of the roads repaired two years ago with USAID resources show need for further maintenance. The debt overhang of both micro enterprise and agricultural producers must be addressed before access to capital can be reestablished. Technological knowledge among program beneficiaries remains very rudimentary and is an impediment to income growth both in the short- and long-term. Sustained, substantial investment in education at the primary and middle school levels will be required if the residents of the former conflictive zones are to compete in the hemispheric economy of the future. Each of these issues affects all residents of the former conflictive zones equally, and efforts to overcome them must deal with the population as a whole and not just with former combatants and tenedores.

Conclusions

1. Surveys of ex-combatants and tenedores indicate positive increases in income among those who have received training and credit, but the data are not adequate to quantify the degree of benefit.
2. It is too early in the process of resettlement of the zones most affected by the conflict to expect significant increases in income (i.e. sufficient income to raise the ex-combatants family above the poverty level on a sustainable basis).
3. Focus group discussions indicate that economic activity has been rekindled in the formerly conflictive zones, and the seeds of future growth have been sown. For these seeds to

flourish, however, additional investment over an extended period will be required. Future investment should be targeted on all residents of the zones, rather than on specific groups such as ex-combatants, if they are to have the desired impact.

Recommendations

1. USAID/ES should request Daniel Carr and Associates to conduct an immediate control group survey to provide a basis of comparison for the survey recently conducted. The recommendations included in Annex H should be incorporated into future surveys.
2. USAID/ES and other donors should assist the Government of El Salvador to develop an integrated policy for promoting long-term growth of the former conflictive regions. As will be discussed in section V.C., the most effective building blocks for this effort would be municipal development plans, micro-regional plans, or sub-Departmental plans that involve active contributions from the many local actors that have become involved in representing the interests of and delivering services to the people of the region.
3. Given the conditions found in the NRP region and the destitute status and lack of basic farming or commerce skills of the target group, generation of income is not possible from investments in credit and training during the time frame of this program. The Peace Accords merely required timely access to these services, and it would be more appropriate for USAID simply to use the two earlier results indicators that measure quantity of services provided in relation to the size of the target population, rather than assume responsibility for increased incomes.
4. **Indicator 4: Land Bank clients (percent) with land in production**

Table 9
Land Bank clients (percent) with land in production

Year	Planned	Actual
1993	100	25
1994	50	64
1995	60	64
1996	75	N/A

Findings

The sources of data for measuring the actual performance of this indicator are the first and second Agricultural and Livestock Census of Properties of the Land Transfer Program (Programa de Transferencia de Tierras, or PTT), prepared by the Oficina Coordinadora del Tema Agrario del Ministerio de Agricultura y Ganadería (OCTA/MAG). These are very valuable documents with a wealth of information on the conditions of land transfer beneficiaries, including those financed by

the Land Bank and by other institutions. The second census provides separate reporting on the evolution of land covered by the first census, providing an excellent basis for comparing land use over time. A third census is now being undertaken, and will provide the USAID Mission with an even more up to date means of measuring the status of this indicator. The USAID statistics reported above are only for Land Bank beneficiaries, while the analysis that follows will report on all program beneficiaries, as the census report does not disaggregate this information between Land Bank as opposed to ISTA or other beneficiaries. The USAID information is accurate, and the intention of the following analysis is to deepen the understanding of rather than to contradict this data.

The basic measurement focus of the census is the “unidad productiva (UP),” or productive unit. Each UP corresponds to a single land title issued during the land transfer process. A single UP is most frequently a single farm titled to a group of ex-combatants or tenedores on a “proindeviso” basis. Proindeviso is a legal concept originally designed to facilitate land inheritance among several siblings, pending their joint decision on how the property is to be divided. It was adopted as the transfer mechanism for the PTT in order to expedite the titling process (avoiding the need to negotiate the sub-division of the properties among the beneficiaries, carry out the required land surveys, and issue tens of thousands of individual titles). In some cases the proindeviso title is granted for joint ownership by one group of more than one farm, but the single title is still one UP for the purposes of the census. Finally, in some cases a single individual is granted the title to a single piece of land (in this case it is not a “proindeviso” title), and this farm is also a UP. Therefore, there is some variance in the size and complexity of the UPs included in the survey. A total of 363 UPs were included in the 1994 census, and 1,291 in the 1995 census, representing all UPs in existence as of May of each year. Unless stated otherwise, the information reported below corresponds to the 1995 census.

The 1,291 UPs occupy a total of 65,659 hectares and are titled to 25,040 beneficiaries. The following chart breaks down these figures by the year in which the titles were issued:

Table 10
Land Transfer Program
Production units and Beneficiaries by year of transfer

Year title granted	# UPs	Beneficiaries	Hectares
1992	19	916	1,920
1993	150	4,815	13,257
1994	398	11,423	30,286
1995	724	7,886	20,196
Total	1,291	25,040	65,659

As of April 30, 1996, a total of 77,912 hectares had been transferred to 33,271 beneficiaries. As of that date, slightly under two thousand potential beneficiaries had yet to receive title, and it is expected that land transfers will be completed by July 1996. The OCTA/MAG census therefore covers 75% of the titles now issued, although the information is now about one year old.

The land titling process began slowly and accelerated over the past two years. Fifty-six percent of the UPs included in the 1995 census had been titled only a few months before the census, and 87% had been titled within the prior 18 months. This undoubtedly had a strong impact on the degree of development of these farms.

The table below presents information on land use of the farms included in the 1995 census by year in which the land was titled. The information is presented as a percentage of the total land titled and used for the stated activity in each year. The objective is to try to determine how the length of time since title was issued affects the utilization of the land:

Table 11
Land Transfer Program
Percent of land by land use by year of title issuance

Land Use	1992	1993	1994	1995	All Land
Farmed collectively	6	5	3	1	3
Farmed individually	20	26	20	18	21
Pasture	21	24	25	25	24
Forest	7	12	15	14	14
No Potential	2	5	5	5	5
Infrastructure	10	4	4	3	4
Unused	34	24	28	34	29
Total	100	100	100	100	100

It does not appear that the duration of land ownership significantly affects the amount of land that is in productive activity. Only about a quarter of the land transferred is presently being farmed, with another quarter in pasture. One can assume that the land left in forests has limited agricultural potential and should be left in forest. When asked in the census why 30% of the land was left unused, the three principal responses were that the land was recently assigned, there were insufficient beneficiaries, and/or that there were credit problems. As a whole, only 48% of the land was being farmed or was in productive pasture at the time of the census. The OCTA/MAG analysis indicates that the forest land, land classified as having no use, and land in infrastructure have no potential agricultural use, and these categories represent 23 % of the land transferred. If this land is excluded from the total, the land that is classified as unused is equal to 38% of the remainder. Stated another way, 62% of the land that is appropriate for farming or livestock activity is being used.

The majority of the farm units were not being used at the time of the 1995 census, as is shown in the following chart:

Table 12
Land Transfer Program
Form of Use of the Productive Units (UPs)

Form of use	FMLN	ESAF	Total
Individual	330	57	387
Collective	72	5	77
Mixed	129	6	135
Not being used	591	101	692
Total	1,122	169	1291

According to this information, 46% of the production units transferred to NRP beneficiaries had productive activity at the time of the 1995 census. Of those productive units titled in 1994 or earlier, 78% had at least some productive activity in 1995 (down from 88% for these same farms the prior year). OCTA/MAG assumes that the units not in production tend to be those that were most recently titled and this is a reasonable explanation.

A similar situation was encountered in the survey in terms of who is actually working on the farms. The following table shows the number of land transfer beneficiaries that are currently working the land by year for which title was issued:

Table 13
Land Transfer Program
Beneficiaries working on land received

	1992	1993	1994	1995	Total
Beneficiaries working	386	3,357	7,364	4,219	15,326
Others working on beneficiary farms	82	301	773	679	1,835
Total beneficiaries	916	4,815	11,423	7,886	25,040
% beneficiaries working their farms	42	70	64	53	61

Sixty-one percent of the NRP beneficiaries who received land under the program are actually working on the land. Those receiving title in 1995 only possessed their land a few months before the census, but of those who received their titles in 1994 or earlier 35% were not working on the land they had received. The OCTA/MAG analysis that accompanies the census comments dryly that: "There is a need to communicate to the beneficiaries that the fundamental objective of the transfer of land is that it be put into production and not simply to have a change of owners." During visits to production units, the MSI team often found farms where only a portion of the owners were present. In many cases the explanation was that until housing could be constructed on the new land

and an initial, informal subdivision made of the land so that each beneficiary would know where to plant, many members had to work elsewhere in order to earn enough to maintain themselves. However, it was also clear that many of the individuals whose names are on the titles are simply no longer members of the group, and live elsewhere in El Salvador or have migrated to the United States.

In the section reporting on the types of agricultural activities underway, the OCTA/MAG census report only presents data on the activities undertaken on collectively farmed land, rather than on individual land where most of the farming is carried out. Of the collectively farmed land, 51% is planted in coffee or sugar cane, and many of the production units visited indicated their intention to maintain existing coffee and sugar cane land as communal property, as dividing it would favor only some members of the farm group. Twenty-seven percent of the collectively farmed land is in basic grains, and the rest is in fruit, vegetables, and agroindustrial crops. Nearly half of the land that is in production is in pastures, mostly in individual holdings or rented to neighbors or workers. In 1995, there are 1.9 head of cattle per farmer and an average of 3 cattle per hectare in pasture. The "pastures" are usually unplanted land designated for that purpose with little investment in improving their relatively low grazing capacity. During visits to the production units, it was apparent that the common activity on individually farmed land is production of basic grains for subsistence.

Basic grain productivity on the collective lands was very good in comparison with national averages, partly because the land has lain fallow throughout the war; and often has never been planted, thus building up natural fertility. This level of productivity will not be maintained, however, unless investment is made to retain soil fertility. Yields for coffee, however, are between 4 and 5 cwts/hectare, as opposed to a national average of 20.7 (the national average figure for coffee reported by OCTA appears high for El Salvador). Several production units are farming coffee as an organically grown crop since the land has lain fallow for so long, but are working increase the productivity.

It is significant that of the 25,040 beneficiaries of the land transfer program, 6,156 were ex-combatants from the FMLN, 14,819 were squatters usually associated with the FMLN, and only 4,056 were former soldiers from the armed forces (ESAF). Of the land owned by the former ESAF members, 44% is not in use, and 56% of the arable land is not in use.

A second source of information on land use by the ex-combatants is the most recent of the series of surveys carried out by CID/GALLUP. As described earlier, each of these surveys had a different sample population, and reports do not facilitate comparisons between distinct surveys. However, the information provided is significant as shown below:

Table 14
Land Transfer Program
Average manzanas (0.59 hectares) farmed per beneficiary

Year	Tenedores	Ex-combatants Combined	FMLN	ESAF
1994 October	2.0	2.8	N/A	N/A
1995 February	2.7	2.3	2.4	2.0
1996 January	1.7	1.8	1.8	2.5

These data would indicate that the portion of land that is actually being farmed is declining over time. The individually-farmed land tabulated in the 1995 OCTA/MAG census represents on average less than one manzana per beneficiary. Unfortunately, it is not possible to disaggregate either data set to find out to what extent this result is attributable to the fact that a large portion of land titles have been given out within the last 12 to 16 months.

It is clear, however, that the amount of land in production per beneficiary is small. There are limits to how much land can be farmed with family labor under the conditions encountered in the NRP region where much of the land was relatively virgin and required clearing. In effect, the new land owners have been integrated into a subsistence level agricultural life style using hand labor to clear and plant a small plot to maintain their families. To the extent credit was used to purchase, cattle some land is left for grazing. Over time one would expect these farmers to convert some of the additional land available to them to tree crops or other economic activities that could supplement their income. In many ways, the statistics shown above should not be surprising and are probably comparable to land colonization programs in other countries. However, the land use does not reflect the level of production credit that has been made available to the farmers.

It is also not too surprising that a number of the beneficiaries are not working their land. Subsistence farmers often combine family food plots with off-farm employment for cash income. Given the difficult conditions on many of these new farms, it is unlikely that many of the beneficiaries will take up residence until adequate living conditions exist. At the same time, farming life is difficult, and a natural sorting out of ex-combatants must occur before it is clear which ones will adopt this life style. In fact, it will be important to assure that there are no impediments for those who wish to leave the farms to do so, and to facilitate access to their land by others.

A frequently cited reason for the limited use of land is the fact that it has been titled on a proindiviso basis. To earn a decent income from the land, effort and money must be invested to improve it, such as the planting of more profitable tree crops, construction of soil erosion prevention or drainage works, purchase of chemical or organic fertilizers and soil amendments, improving pasture land and constructing fences, etc. The farmers in our focus groups repeatedly indicated that they were unwilling to incur this type of expense unless they are certain that the land they invest in will be theirs. The titles are now jointly in the names of a group that may have 50, 100 or more members. The groups were formed during the demobilization process, and often are people who fought together in the same combat unit. While the war forged friendships, none of them had farmed

together and they were therefore unable to assess each other's capability. CARE's CONVIVIR project, funded by USAID, has identified a very strong interest by program beneficiaries in breaking up the proindeviso lands, and is assisting this process. There is a widespread desire to separate the farms into individual parcels as soon as is possible.

The actual break up of the proindiviso units will be very difficult. First, a plan must be drawn up that will apportion land of unequal quality in some manner that seems equitable to the owners. Second, someone must cover the cost of surveying and titling each of the parcels (on one farm visited, the owners have decided to divide up equally the good farm land, the not so good, and the pasture, requiring surveying and titling of three plots per farmer). Third, all owners must be located. As noted earlier, in 1995, nearly 10,000 land beneficiaries were not actually on the land. Fourth, legally, all individuals whose names are on the titles must jointly agree to an entire plan for division of the farm, i.e. it would only take one hold-out to abort an entire plan. In an interview, the President of the Banco de Tierra estimated that the most optimistic projection is that it will take five years and \$14 million to title in individual parcels the proindiviso land, and could easily take twice as long. In fact, assuming that a number of individuals whose names are on the titles have immigrated to the United States or other countries, or passed away, special legislation may be required to enable the breaking up of proindiviso land if not all of the owners can be located.

Conclusions

1. Sixty percent of the land bank assisted land transfer recipients who received their land in 1994 or earlier had land in production in 1995, and an additional 4% were working on other properties.
2. Approximately 78% of the land units transferred to NRP beneficiaries in 1994 were in production in 1995. It is unclear what this measures, however, as these units could either be only marginally used or they could be used intensively.
3. Sixty-two percent of the arable land is in production, but there is evidence that this is principally being used for subsistence level basic grain production on small plots. Half of the land that is classified as in use is in unimproved pasture.
4. More than half (54%) of the farm units included in the 1995 census were not in production, and two fifths (39%) of the program beneficiaries are not living or working on their land. This is due in large part to the fact that more than half of the farms had only been titled a few months before the census was conducted. However, other evidence suggests that a significant portion of the land has been left unused, and this percentage remains fairly constant irrespective of when the land was titled.
5. Although it was probably the only option available to implement the land transfer program in a timely manner, the existence of proindeviso titles now represents a major constraint to converting these lands to productive use.
6. In adopting this result indicator, the Mission implicitly concluded that it is not enough to just provide the land to the beneficiaries to meet the overall goal of sowing the seeds for future

growth, but that it was also important that some portion of these land units be placed in production. It is not clear how many units would need to be in production to meet the objective, or if it makes any difference what sort of productive activity is undertaken. The evaluation team would argue that given that the actual development of these parcels is beyond the scope of this program, the most critical indicator is the actual transfer of land, which meets the terms of the Peace Accords. This indicator will be fully met within a few months.

Recommendations

1. The annual census carried out by OCTA/MAG is an invaluable tool to measure the impact of the land transfer program. USAID should consider continuing support for this activity after the existing program ends.
2. There is a need for donor assistance with the granting of individual titles to replace the proindiviso titles. This will be a very complex task and to complete it may require specific legislative measures and a time frame beyond that normally undertaken by donors. Given the importance of this issue, however, the evaluators strongly recommend that the donor community consider such assistance.

B. ACCESS TO BASIC SOCIAL SERVICES AND INFRASTRUCTURE REESTABLISHED

Introduction:

As stated by the World Bank in a draft report titled, El Salvador: Meeting the Challenge of Globalization (May 15, 1995):

El Salvador entered the 1990s with under-developed and under-maintained infrastructure... Telecommunications, power, transport, water and waste services deteriorated during the civil war. Security expenditures crowded out spending on basic maintenance and investment, and sabotage and other acts of war heavily damaged the power and transport networks... By the war's end, the Government was saddled with a daunting backlog of maintenance and investment, which translated into large unmet demand and frequent interruptions of service."

The January 1994 Final Report of the mid-term evaluation of project 519-0394 asserts: "it is inconceivable that adequate funding would be available from all imaginable resources to meet the infrastructure needs of El Salvador in the period of this project. Previous U.S. estimates of El Salvador's infrastructure rehabilitation needs because of the war exceeded US\$1 billion - a sum greater than total donor commitments (including the U.S.) for all activities."

That report also notes that the Public Services Improvement project (519-0320) was used to "jump start" support to the NRP, for which a contingency plan was prepared. "Crucial assistance to ex-conflictive areas was possible because the project was already operational in areas on the periphery of the target areas long before the war ended."

By late 1993, US\$20 million was to come from project 0320, while the original 0394 budget for infrastructure of US\$36 million had been reduced to US\$15.8 million, probably because of demands to address the needs of the ex-combatants.

The USAID/SRN agreement provided that emergency repair and reconstruction efforts under the NRP would be carried out in the areas targeted, taking into account the needs expressed by the communities in open town meetings and the resources available. Specific targets for maintenance and reconstruction included lower-level rural roads and bridges, as well as water and waste systems, including public water points and rural hand pumps, sanitary facilities and drainage. The principal NRP mechanism used for channeling resources for small infrastructure projects is the MEA program, which operates in all 262 municipalities except San Salvador, and for which NRP funding is scheduled to end in FY96. However, the 1994 mid-term MEA evaluation pointed out that "there is a large gap between programs for national highways and needs that can be satisfied by MEA projects." Those evaluators also found a "wide financial gap in the sector of water supply/sanitation... especially in systems that belong to and are operated by municipalities, as well as in cantons and caseríos."

A recent USAID/El Salvador report on the SSO states: "In 1995 more than 200 small infrastructure projects were completed, providing school rooms, water systems, community buildings, roads, and health posts... Customers report that problems stemming from inadequate infrastructure (particularly farm-to-market roads and potable water systems) continue to be their most important unmet need."

This Intermediate Result has focused mainly on the restoration or construction of farm-to-market roads, health posts, and water-sanitation systems, with separate indicators used for the first two components. Findings are therefore grouped by indicator as follows: general accomplishments through the MEA program; roads improved, health facilities assisted; and water-sanitation systems improved or constructed.

1. Indicator 1: NRP population served by MEA infrastructure projects (%)

Table 15
% NRP population served by MEA infrastructure projects
(Baseline 1993:70%)

FY	Planned	Actual
1994	N/A	73%
1995	80%	75%
1996	80%	N/A

Source: USAID/MEA Survey

Findings

For the number of projects completed by category (excluding road construction projects), MEA data show the following:

Table 16
MEA Projects Completed

	1992	1993	1994	1995	Cum. Total
Educational facilities	246	118	67	27	458
Community buildings	24	20	8	4	56
Electrical projects	91	76	117	49	333
Health posts	47	8	37	21	113
Potable water systems	45	15	20	12	92
Roads	606	375	318	207	1,506
Other	20	6	5	25	56
Total	1,079	618	572	345	2,614

Chapter III.G. provides a full description of the MEA program, for which USAID provided C60 million for the contingency phase of the NRP, and C325 million for the remainder of the reconstruction program.

The following chart was provided by the SRN in response to our request for a breakdown of infrastructure projects carried out with MEA-NRP funds (including project 0394, SABE and project 0320, water).

Table 17 MEA-NRP BASIC INFRASTRUCTURE PROJECTS
(from December 1991 to March 1996)

INDICATOR	BREAKDOWN OF PROJECTS	TOTAL IN COLONES
SCHOOLS		
rehab./enlarg.	201	
built	82	
equipped	17	
	<u>300</u>	
	Total	39,996,084.33
HEALTH POSTS		
rehab./enlarg.	19	
built	8	
equip./latrines.	23	
	<u>50</u>	
	Total	7,480,071.43

INDICATOR	BREAKDOWN OF PROJECTS	TOTAL IN COLONES
ROADS		
primary	265	
secondary	225	
rural ⁴ A ⁵	119	
rural B ⁶	244	
	<u>853</u>	
	Total	206,260,563.06
BRIDGES		
reconstructed	12	
constructed	84	
guardrails	18	
	<u>114</u>	
	Total	27,381,857.02
WATER SYSTEMS		
rehab./expand	42	
new	53	
	<u>95</u>	
	Total	21,517,679.62
ELECTRICITY		
installed		
rep./expand	267	
	Total	61,742,537.95
MUNICIPAL BUILDINGS		
	213	
		28,561,514.17
TOTAL PROJECTS	1892	392,950,307.58

The total number of projects completed as reported by USAID and the data provided by the SRN do not coincide. Though the evaluation team requested an explanation of the differences in those numbers from the SRN, none was received. The Mission reports 2,614 projects carried out, while the SRN registers 1,892, or a difference of 722 projects.

With regard to the beneficiaries of those projects, there is a problem in the way the information system for the database was designed, as the number of beneficiaries may be counted two, three and even four times. That is, each project reports the number of beneficiaries in the community; the number for each project is extracted from the technical plan, having been determined by the mayor and the SRN technician. For example, if first the road is widened and later paved, the community is reported twice as the beneficiary group, even though those were two stages of the same project. Or there are communities that have been given water, a school, a road, a health post, and electricity, which means that this community has benefitted five times.

Another way to analyze the beneficiary population is to review the distribution of projects and funds by canton. However, due to the way the database is organized, this is not possible as there is no field for relating projects by canton. Therefore, it is necessary to have the database run all projects carried out in the municipality and manually review their distribution by canton. Because of this limitation, the evaluation team decided to ask the SRN about the funds invested in the 115 NRP municipalities, including MEA-NRP funds and special projects. This data is presented in Annex J.

⁴ roads between canton and caserios

⁵ finished road surface

⁶ unfinished surface

By reviewing the funds invested in each of the 115 municipalities, one can validate the observations made by the evaluators in Chapter III.G. with regard to the allocation formula for distributing funds to all municipalities. At the request of the evaluation team, the SRN provided information for each of the NRP municipalities on the number and type of projects carried out, the amount invested and the number of beneficiaries for 1993, 1994, and 1995. These data are too voluminous to include in this report, and have been turned over to USAID/El Salvador.

The survey conducted in connection with the 1994 MEA evaluation found that "approximately 40% of those surveyed think that rural needs are being addressed in the same proportion as urban needs through this program. The majority of those surveyed think that the program is satisfying some - but not all - of their basic infrastructure needs."

During focus group and key informant interviews in the field, the MSI team was struck by two oft-heard types of remarks related to basic infrastructure projects: 1) how very much people appreciated such projects in communities where they had been carried out; and 2) in places where there had been virtually no infrastructure activity, how desperately people want them. For example, during a group interview the mayors of Tejutepeque, Cinquera and Jutiapa (each from a different political party), agreed that repair of the rural road that connects those three municipalities - challenging in the best of times, and reported to be virtually impassable during much of the rainy season - is a major priority for all. Indeed, it was clear that this common need had heightened the spirit of mutual collaboration among them.

Clearly, access to transitable roads and community water systems has been, and continues to be, a high priority among citizens in the NRP area. Evaluators heard numerous anecdotes about how much time or effort had been saved, and the quality of life improved, once such improvements had been made. However, in such places as Perquín, El Tremedal, San Francisco Javier, Las Flores and others, community members continue to be severely handicapped by the lack of roads, health posts and water systems. Many spoke of having taken their requests to cabildos abiertos time after time, only to see someone else's project be awarded higher priority by the town council.

Evaluators also heard stories from more fortunate interviewees about how long it had taken for their projects to be completed once selected. On a good number of occasions, mayors and community leaders alike stated that procedures had been heavily bureaucratic, with long delays in finalizing project specs or "carpetas." One mayor of a Chalatenango municipality expressed great frustration with the SRN and its process, saying that once the town council had submitted projects to the Secretariat, it took "six to eight months to get an answer, and another six months to get the money." Several mayors indicated that such delays had meant that they were under funded when they began, due to the ever- spiraling cost of materials and labor during the waiting period. Thus, in some cases, the shortfall had meant incomplete projects. Another mayor claimed that for projects located in remote cantons or caseríos, if the SRN technician isn't motivated to make the trip, the delay in project start-up is even longer. In one mayor's opinion, "SRN 'técnicos want us to do their projects; we know the needs of the community, and we want the freedom to substitute the projects we think are important."

It is important to note that at no time did the evaluation team hear complaints or accusations related to dishonesty or the misuse of funds. In fact, on several occasions, mayors and community leaders,

otherwise frustrated with the SRN or its process, volunteered that there had been absolutely no reason to question its honesty. In such a large program, that is no small compliment.

Conclusions

1. Because of the way the database is set up, the beneficiary population is over-reported.
 2. On reviewing the funds invested in each of the 115 NRP municipalities, evaluators conclude that the formula used to distribute MEA funds shows that: 1) allocations are almost identical for each municipality; 2) differences in allocations relate to the demographic criterion used; 3) no consideration is given to the relative poverty of the municipalities when allocations are calculated; and 4) no effort has been made to place more funds in the areas most affected by the war.
 3. As the NRP comes to a close, and after all the investment made, it is not possible to know with certainty what portion of the infrastructure damaged during the armed conflict has been replaced. However, based on interviews and field work, evaluators conclude that in general a good part of the damaged infrastructure has in fact been replaced, and the percentage certainly exceeds USAID's target.
 4. The effectiveness of the MEA program is related to the participation of the community in the identification of the work to be carried out within their municipality.
- 2. Indicator 2: Roads improved which required rehabilitation in the NRP (% of km of road)**

Table 18
% of roads improved which required rehabilitation in the NRP
(Baseline 1993: 10%)

FY	Planned	Actual
1994	N/A	17%
1995	20%	20%
1996	23%	22%*
1997	25%	N/A

Source: Project 0320, MEA, NRP "caminos vecinales" project
(*) as of 3/31.

Comment: "Roads" includes roads, bridges, overpasses, etc. "Improved" means any type of physical improvement, including extensions, widening, etc. Target is taken from 1992 NRP infrastructure needs assessment, in which 9,048 kms of roads were identified as needing rehabilitation in the NRP area. Life of project target of 25% is based on that universe of inadequate roads.

Findings

In the above-mentioned May 1995 draft report, the World Bank has noted: "Overall, both the private sector and the Ministerio de Obras Publicas (MOP) feel that the supply of roads and highways is sufficient, except for rural penetration roads in the ex-conflict areas." The report goes on to state that "Road maintenance was under funded during the 1980s and continues to be. Moreover, the road maintenance budget [of the MOP] is not only highly constrained, but its structure is inadequate. Salaries and benefits comprise about 80 percent of the maintenance budget, leaving few resources for materials."

Based on a mid-1994 inventory of "caminos vecinales" (CVs) by Louis Berger International, Inc. (LBII), the CV network in the entire country is approximately 3,500 kms, of which 2,500 kms are in the NRP area. LBII inventoried 2,426 kms, of which "14% was intransitable," more because of surface damage than because of a lack of bridges. The study also showed that one-third of the roads inventoried were clay-based, and the remaining two-thirds were "rocky and inclined... An insignificant percentage was graveled or in the process of rehabilitation." Moreover, one-third of the roads were less than three meters wide - considered the minimum width even for animal-drawn vehicles. In addition, nearly half of the CVs inventoried had inclines of over 8%, making many intransitable in the rainy season. The study identified Morazán, La Unión and Chalatenango as "the departments most affected by 'bad' and 'terrible' conditions regarding CV infrastructure."

Following that inventory, LBII laid out five alternative approaches for USAID's pursuit of this component, recommending the one considered to be the most cost effective for the resources available - at an estimated cost of US\$19,570 per km.

USAID reports that the 20% target met in 1995 benefitted "nearly everyone living in the NRP zone either directly or indirectly. From 1992 through 1995, 1,960 kilometers of road have been rehabilitated." However, through customer surveys conducted in 1995-6, USAID found that "road improvement was the number one priority among the rural poor." Therefore, the Mission reports that "additional funds will be assigned to this sector in 1996-7 and targets have been set for FY 96 and FY97."

Those findings coincide with results of a participatory diagnosis of most-felt, community-level infrastructure needs which was facilitated by PROCAP/FUNDAMUNI in Morazán and Chalatenango. Workshops were carried out in early 1996; mayors, council members and community leaders from a number of municipalities prioritized their five greatest needs:

Table 19
Infrastructure priorities of Morazan and Chalatenango communities

Morazan:	Roads/bridges	52%
(5 municipalities)	Education (schools, child care facilities)	20%
	Water systems	8%
	Electricity	8%

Morazan:	Roads/bridges	52%
	Health/sanitation infrastructure	8%
Chalatenango:	Roads/bridges	35%
(11 municipalities)	Water systems	33%
	Electricity	7%
	Health/sanitation infrastructure	7%
	Education (schools, child care facilities)	6%
	Community infrastructure	6%

Our evaluation of the procedures used by SRN for road improvement included three components: 1) a review of the specifications used in contracting for road improvement work; 2) a review of reports of progress and of supervision; and 3) a field inspection of the current condition of selected rural roads.

Specifications used in contracting

The "Mayor's Manual" of 1993 was reviewed. This provides the guidelines that mayors are to follow for requesting and evaluating bids and contracting for infrastructure goods and services in their jurisdictions. In addition, key SRN staff were interviewed.

A fundamental difference between SRN procedures and those used by other agencies relates to the qualification of the companies that participate in the bidding process. The general practice is to "pre-qualify" companies and professionals within the construction sector, in accordance with their experience, installed capability, economic conditions and technical personnel.

On the contrary, the SRN has opted to do an evaluation at the same time as the adjudication process is going forward. This is carried out by a committee made up of the mayor and other members of the town council, plus a representative of the SRN as technical support. In the majority of cases, committee members have no experience or technical knowledge to enable them to appropriately evaluate the bids, particularly in special projects such as bridges.

On the other hand, one problem that town councils must deal with in the bidding process relates to the difference between the amounts contained in the bids and the amount established in the "official budget" allocated. The impression is that when the "technical files" are prepared for each project, the majority of the professionals that carry out those studies and designs try to adjust the budget more to the amount previously approved for such projects than to the true market price. Additionally, if they worked with pre-qualified companies, that would add other costs, and town councils are only authorized to increase the previously-fixed amount by 25%.

Progress and supervisory reports

Up to 1995, project supervision was carried out directly by technicians from the respective SRN regional offices. They were obliged to make at least two visits per month to each job site. In addition, the SRN departmental delegate was to visit each site at least once a month. Moreover, mayors were to pay periodic visits to the job sites in their jurisdictions.

Beginning this year, due to an SRN personnel reduction, external supervisors began to be contracted, assigning them groups of projects that were in relatively close proximity.

A file for each project is provided by the respective job contractor. Each sheet has the following sections: activities carried out; problems arising in the development of the job; recommendations; details on the amount of progress already achieved; time elapsed in the execution of the job; physical progress; manpower; and observations. The mayor keeps the original, which is added to project documentation, including the technical file and disbursement documents. One copy goes to the monitoring and follow-up department at SRN headquarters, one goes to the SRN regional office, and the contractor keeps a copy.

Files at the SRN department of monitoring and follow-up are generally limited and usually not totally complete. When projects are completed, all documentation is sent to the deposit in the basement of the building, where it is kept in boxes, which supposedly are labeled, but which was not verified.

In the regional offices, the file is more complete, containing all documents generated by the project. It was explained to us that files are kept for about three years, after which they are sent to deposits in each region.

The main concern of the evaluation team is that the frequency of supervisory visits is insufficient to be able to provide adequate technical and financial monitoring for each project. It is important to point out that the SRN technicians who supervise the work also have a great number of other obligations: pre-diagnostic evaluations, attendance at open town meetings, bidding processes, etc.

Field investigation of the current condition of selected rural roads

The MSI team contracted a local engineer as consultant to evaluate seven farm-to-market roads that were completed before 1995. His study concluded that, in general, they were in good condition, though some showed deterioration in some stretches, and that they had been fairly well maintained by the mayors or communities benefitted. The quality of the maintenance provided appears to bear a direct relationship to the proximity of the main town or village. The greatest problem, both for the SRN and for the mayors, is probably preventive road maintenance and repairs.

Conclusions

1. In general terms, the specifications used follow the usual practices established by various government institutions.

2. For larger projects, the SRN process for evaluating bids would be inadequate, given the non-technical composition of the adjudication committee and the fact that there are no pre-qualified companies.
3. The number of visits to job sites, especially for projects of some importance, is insufficient to be able to provide adequate monitoring and, above all, to give corrective instructions on time.
4. The evaluation of projects indicates that funds were invested effectively. In some places, we were informed that the access roads were either very bad or intransitable, a situation that worsens in the rainy season. All roads inspected were still being used, despite the date of their having been opened or improved. Older projects are the ones that present the highest degree of deterioration, particularly with respect to packed-earth surfaces.

Recommendation

1. USAID should urge that the requirements for contractors carrying out road projects include the training of community members in adequate maintenance practices.

3. Indicator 3: Health facilities assisted and functioning

Target 1993: 31 Accomplished 1993: 31

(Unit = number of facilities; Source: MOH)

Findings

The initial USAID assistance to address the inadequate access to health services in the NRP region was provided by adding \$5 million to the APSISA project (519-0308). The 31 health facilities shown in this indicator as assisted and functioning were facilities that were re-opened with support from APSISA as of 1993. In addition to providing basic equipment, medicines, and other supplies, APSISA has focused on problems of inadequate water and sewage systems in rural health facilities, and has invested in improving these systems in 69 of the 73 rural facilities that were identified as having this problem (the remaining four were assisted by other donors).

When the war ended, a network of health infrastructure existed in much of the NRP region, but much had deteriorated or had been damaged during the war, and Ministry of Health personnel had not been able to provide services. Initially, the communities identified with the FMLN were reluctant to allow MOH personnel to reestablish a presence in the abandoned facilities, and medical attention continued to be provided by the empirically trained health promoters who had done so throughout the war. The promoters were supported by doctors from the NGO Doctors Without Borders, and by the Archdiocese of the Catholic Church. Since then, the MOH has gradually extended its outreach, and reportedly at this time only a handful of health programs are not staffed by MOH personnel (although in many cases the Medical staff is only present certain days of the week).

Funds from the Municipalities in Action program have been used to repair or rebuild facilities damaged during the war, and as of March 31, 1996, USAID reports that 113 health posts have been assisted. The Ministry of Health classifies such facilities in two groups: health units (192 nationwide) are staffed full time by medical personnel, and health posts (145 nationwide) are staffed on only certain days of the week. On average, there is one or the other of these facilities per municipality in rural El Salvador. It is not clear which type of facility is counted in the MEA data, but it is likely that the 113 includes basically all facilities of this nature in the NRP region.

According to the 1995 Census of Land Transfer Program beneficiaries, of the 1291 production units visited, 510 were near a health clinic (431 within five kilometers). Sixty-five percent of the health facilities were operated by the government, with the rest managed by NGOs, churches, or other organizations. Eighty percent of these facilities require some form of payment for services provided, although only 40% charge for medicine.

During the field visits conducted by the evaluation team, including focus group and key informant interviews, it appeared that health facilities were generally either unavailable or inadequate. There were frequent reports of conflict between the popular practitioners (generally former FMLN corpsmen/women) and the Ministry of Health. While the practitioners have considerable empirical experience (and in many cases formal training), they do not qualify for certification by the MOH, and because they lack certification they cannot obtain basic medicines provided by the MOH to certified providers of health services.

While it was unclear the degree of training the popular practitioners had received in preventive medicine, it appears that they have a basic understanding of the issues. The degree of sophistication observed ranges from that of a fully qualified laboratory technician with 16 years of experience to health promoters with only basic understanding of transmissible diseases. Nevertheless, these individuals do appear competent to recognize health threatening situations and appear aware of the limits of their own capabilities (i.e. when a patient should be referred to a more competent source of attention).

The popular practitioners are highly valued by their communities and are a valuable resource in the NRP region. Their chief complaint was their inability to obtain basic medicines and medical supplies. The sites visited even lacked oral rehydration salts that are the first, most important, and inexpensive method to save lives from diarrheal diseases common to the region.

We understand that NGOs working under the USAID PROSAMI project are attempting to reach out to this population, and that the Ministry of Health does have a three month training program through which the popular health workers can be certified as health promoters. However, the evaluators conclude that this process needs to be more aggressively pursued.

Although specific indicators for access to schools were not included in this intermediate result, it would seem that any effort to increase access to basic social services would also be concerned about this issue. The MEA program has in fact funded the repair or reconstruction of 458 educational facilities in the NRP region. In the census of Land Transfer Program beneficiaries mentioned earlier, it was found that 80% of the production units were near a school (77% were within five kilometers).

Many of the schools in the NRP region are staffed by maestros populares (popular teachers) and are not certified by the Ministry of Education. Students graduating from these schools may be granted equivalency by the Ministry of Education's Departmental Supervisors in order to continue their education or have it certified, but the willingness to do so and the criteria applied do not appear uniform. Some of the informal schools visited are providing a far more disciplined and effective instructional program than the formally certified schools visited.

The Ministry of Education also has a program to grant equivalency to maestros populares so that they can become certified teachers and receive a salary. The Ministry of Education seems to be pursuing this policy more actively than the Ministry of Health is for health workers.

Conclusions

1. The investment in repair or construction of health facilities and schools in the NRP has been an important program to reintegrate this population into society.
2. A need still exists for many additional schools and health facilities in the NRP region, but the level of access to these social services in the NRP region is probably now nearly equivalent to that of the rest of rural El Salvador.
3. The maestros populares and empirical health practitioners are providing invaluable assistance to their communities, usually with only minimal if any payment.

Recommendations

1. Efforts to integrate the health workers and teachers, who are providing informal health services and education in the NRP region, into the mainstream of service providers of the Ministries of Health and Education, should be strengthened. Provision of these critical social services by the Government of El Salvador is very important to the reintegration of these communities into the society as a whole.

4. Water/Sanitation Systems

As noted above, MEA data show that 92 projects related to water systems were carried out through 1995. In addition, several other projects contribute to this component. These include the CREA Project for the Provision of Potable Water and Rural Sanitation (funded through project 519-0320, June 1993-September 1996); CARE's PASO/POSAS project (Eastern Water and Sanitation), funded through an 0320 and 0394 cooperative agreement (September 1993-April 1997); and Project Concern International's project on community health education (through April 1997).

Through the PASO/POSAS project, CARE is to "improve the health status and quality of life for 43,650 rural inhabitants in over 74 communities and municipalities of eastern El Salvador by providing safe drinking water and sanitation facilities." In its first stage, the project rebuilt water and sanitation systems in the municipalities of Villa El Triunfo, Ereguayquín, Nueva Granada, San Dionisio, Arambala and Meanguera (El Mozote), which benefited some 6,500 persons. Project

components include: Community Organization; Health Education; Construction of Latrines and Water Systems.

Intermediate results set for the PASO/POSAS project are: 1) promote behavioral change regarding sanitary practices; 2) raise awareness about the use of water and sanitation; 3) organize models for the management of water projects that guarantee their sustainability; and 4) empowerment of women. Expected results include: 43,650 beneficiaries with access to potable water; 3,850 latrines constructed; 67 health and water committees organized with 50% female participation; and 22 local potable water system management boards functioning in their respective municipalities.

The question of behavioral change is also a key element of the CREA project. According to its 1995 Annual Report, dated February 26, 1996, one of the lessons learned to date is that: "The periodic evaluation of the use and maintenance of latrines is important to guarantee a positive impact, although achieving this requires a great deal of follow-up and training." The other major lesson listed is: "Social factors are what most influence the administration of water systems. Nonetheless, technical factors must also be attended to."

CREA's project aims to provide water and/or latrines to 26,743 people in 82 communities. By the end of 1995, 25,071 rural inhabitants had been provided with completed facilities. This activity is organized into 13 sub-projects, each serving an average of six adjacent communities, 45% (37) of which are located in NRP areas. Some 60% of project resources involve water facilities, while 38% is used for latrine construction (both composting and dry-pit), and 2% goes for the preparation of future sub-projects. The per capita cost of latrines has averaged US\$94, and US\$150 for water support.

Regarding the use and maintenance of composting latrines, the CREA report notes: "between mid-1994 and late 1995, the use has increased from 78% to 94%, and the percentage of good quality use and maintenance has increased from 49% to 67%." With regard to water systems, the report states: "water systems are being well administered and operated by the beneficiaries. The water committees are making a great effort to manage themselves effectively. Nonetheless, as is normal in such a new community management experience, the directors who are administering the resources have had some social problems which are being resolved as they learn to interact with each other."

While no objective measure of customer perceptions of increased well-being is available, in the communities visited by the evaluation team, both focus group and individual interviews underscored the importance attached to the provision of water. This was seen to be particularly important for female community members, since it is they who generally fetch the family's water, walking whatever distance that may be. With water in the community (if not in individual homes), women's time is freed for other critical chores.

On the other hand, the few references made by interviewees to latrine projects were ambiguous. That is, while such projects did not appear to be rejected, they seemed to be regarded given low priority - "why bother with latrines when there are so many other, more pressing needs," or "a lot of effort and money has been spent on latrines when it goes against people's culture." One informant reported that newly-built latrines were being used as storage bins for beans and other basic food stuffs. USAID

notes that projects implemented by CARE, CREA, and PCI contain community organization and health education components that have overcome these attitudes.

C. LOCAL LEVEL DEMOCRATIC INSTITUTIONS BUILT AND CIVIC PARTICIPATION INCREASED

Overview

The achievement of this intermediate result has been pursued largely through the Municipalities in Action (MEA) program which was described earlier (see Chapter III.G) and through the participation of non-governmental organizations (NGOs) as both executors and recipients of project services. In addition to those two initiatives, increased voter registration for the 1994 elections was used to measure the achievement of this result, though funded under a different SO.

The first two indicators adopted by USAID to measure accomplishment of this intermediate objective concern open town meetings (cabildos abiertos) held in relation to the Municipalities in Action Program. As they are so closely related, discussion of findings, conclusions, and recommendations related to both of these indicators will be combined. Accomplishments for Indicator 3 will be provided, but with no discussion of findings as there were no SSO activities related to voter registration, since USAID assistance was associated with a separate strategic objective. This section will conclude with the presentation of findings, conclusions and recommendations related to indicator 4.

Before discussing the specific indicators, however, comments will be presented that are common to all four. First, comments will be presented on the nature and adequacy of the types of indicators selected as measures of success in building local level democratic institutions and increasing civic participation. Secondly, findings will be presented concerning national policy on decentralization and the evolving relationships between municipal structures that are responsible for the MEA program and community level NGOs.

1. Nature and adequacy of the indicators

Certainly the building of local level democratic institutions and increased civic participation represent essential building blocks in assisting El Salvador to make the transition from war to peace. Therefore, this intermediate result is not only appropriate but essential for achieving the purposes of the SSO.

As measured by the four indicators included in the SSO, clearly a high degree of accomplishment has been achieved with regard to this intermediate result. The question is whether those indicators provide a full and accurate picture of progress. Our conclusion, as will be described in the following sections, is that the indicators, which measure only the quantity of participation, provide partial and somewhat superficial measures for judging the accomplishment of this intermediate result. They are neither direct measures of the building of local level democratic institutions, nor do they reveal the quality of civic participation. While the number of town meetings held and cantons participating may provide a general framework for measuring results, a clearer picture of progress would also

include data on the number of persons in attendance, disaggregated by gender and by canton, or as discussed below, measures of satisfaction with services.

A study of political culture and local government in El Salvador for the period from 1991 to 1995 (Seligson and Córdova Macías) reports:

"We did not find that attendance at [municipal] sessions or even the fulfillment of demands are related to our indicators of democratic norms. In contrast, the evaluation [by members of the community] of municipal services and of the treatment of citizens by local authorities are directly linked to support for the system and to interpersonal trust... It is not the quantity of participation that is important, even though many projects supported by foreign assistance measure success by counting the level of participation, but it is the quality of said participation that is central. Unless citizens feel that they are well treated by local governments, no amount of participation will increase their support for the system."

The number of NGOs participating in reconstruction activities does not include ADESCOs and other community groups, nor does this indicator reveal the relative strength or geographic coverage of those organizations or the number of ultimate customers served. Therefore, a more meaningful measure of progress for both elements of the intermediate result (institutions built and civic participation increased) would include additional organizational information and more detailed demographic data.

Recommendation

1. USAID should revise the OVIs for this intermediate result for activities initiated during the final phase of the SSO to include: a) the number of NGOs, ADESCOs and other community groups participating in NRP activities; b) the cantons and communities in which they work; c) the number of individuals (by gender) who are members of or who participate in those organizations; and d) the number of ultimate customers (by gender) served by each.
2. **Decentralization policy, municipal government/NGO relations**

Findings

a. Factors affecting local government

Interviews with mayors, community associations and NGOs alike revealed growing consensus regarding the need for local level integrated development planning, especially now that the emergency/humanitarian assistance phase of reconstruction is winding down. The 1994 evaluation of the NRP found that mayors wanted to "prepare local development plans, rather than just individual project proposals." Those evaluators concluded that the impact of the MEA program "would be enhanced if it were carried out within the context of municipal and departmental development plans," and made several recommendations to that effect, parts of which are being implemented by USAID or other donors. The February 1994 MEA evaluation also found that, "the program promotes individual, isolated projects that are not strategically complementary." According to GTZ, which is working with ISDEM and COMURES to promote municipal development and

decentralization, the need for overall planning is strengthened by the fact that the Vice Ministry of Housing and Urban Development has legal authority over all municipalities that have no development plans.

To now, efforts to strengthen local government (mayors, town councils) on the one hand and NGOs and citizen groups on the other have run largely on separate, parallel tracks. Many interviewees on both sides complained of the other's failure to coordinate their activities at the municipal level. However, only a few had taken steps to bridge the gap. In a number of cases, NGOs reported that their overtures to mayors or town councils had met with total rejection or dead silence. As concluded in the 1994 evaluation of the MEA Program (completed prior to the March elections), "the majority of mayors are still reluctant to promote popular participation or to work with community organizations." The report also concluded that "mayors should build bridges to community groups...(since) they are a powerful source of support for local development." Though there are indications that this situation improved in some localities after the 1994 election of new mayors, there still appear to be no officially-sanctioned mechanisms for achieving the needed coordination if, in fact, overall development planning is to occur.

March 1994 mayoral elections meant changes in local leadership and the need for new mayors to "catch up" and learn the system. This process, which is still incomplete in some municipalities, caused delays in local planning and project activities. Political tensions related to new elections in 1997 are likely to again divert attention from holistic community planning.

While the central government has officially espoused a policy of decentralization and local development with citizen participation, interviewees at all levels perceived "mixed signals" when it comes to the transfer of authority and financial resources to municipalities. This lack of clarity tends also to cloud the definition of appropriate roles and relations between local government and NGOs. As noted in a 1996 case study by FUSAI of the municipality of Perquín titled, El Municipalismo. Una Escuela Práctica para la Democracia Participativa, "one factor that makes it difficult to clarify NGO and local government roles is the lack of definition of Central Government policies regarding decentralization. There is a huge gap between what the Government says about decentralization and reality; that leads to expecting more from the municipality than its resources permit."

With reference to strengthening municipal autonomy, given current administrative and economic realities, two basic measures for increasing local financial capacity stand out: 1) an increase of fees and charges for municipal services, which have not been updated for decades, and 2) tax reform. In El Salvador, property taxes as a principal source of municipal revenue do not exist. Until a couple of years ago, there was a tax on holdings (impuesto patrimonial) which included personal assets, but was collected and retained by the central government, making this potential source of revenue unavailable to municipalities. Therefore, some form of local property tax becomes even more important as a means of increasing local financial capacity. Municipalities will not achieve full autonomy unless they have their own source of income, not only for operating expenses, but also for investment in infrastructure and equipment. Transfers are an important mechanism, but are of a compensatory nature in as much as autonomy depends on the ability of local governments to control their own economic base. Some initiatives (such as the USAID/RTI Municipal Development and

Citizen Participation project and work by GTZ) are currently underway to strengthen the administrative and financial capacity of municipalities.

Family incomes in the NRP area are still woefully below what is needed to improve the quality of life. For the beneficiaries of various credit programs, this is exacerbated by the tremendous debt overhang with which they are burdened and for which there is no solution in sight. These factors negatively affect the ability of municipalities to collect fees and deliver needed services and, as a consequence, these circumstances mitigate against citizens' willingness to participate in civic activities, as well as their interest in helping to build local democratic institutions.

b. NGO policy

Government policy toward NGOs was reported to be a further cause for concern. On one hand, official pronouncements concerning local development policy generally list NGOs as important actors for the analysis and transmission of community concerns, while on the other hand the Administration's recently proposed Law of Associations is seen by NGOs to be highly interventionist. In fact, that proposal triggered an immediate negative reaction from NGOs across the entire ideological spectrum, motivating them to promptly join forces to formulate an alternative proposal. For example, in January 1996, AGAPE, FUSAL, FUSAI and FLACSO co-sponsored a Forum to analyze the government's proposal and formulate recommendations. CIPHES also undertook a process of consultation with NGOs to formulate an alternative proposal. The bill as originally presented has been withdrawn, and negotiations are currently underway to reach an acceptable compromise. Because the official proposal also contained a series of unacceptable and unrealistic requirements for international NGOs (including private foundations), a number of those organizations have announced that they would leave the country should the proposal become law. A recent study by PRISMA shows that U.S. and European NGO cooperation alone totals some C400 million per year and accounts for about 6,000 jobs in Salvadoran NGOs.

c. Public opinion concerning local government

A reassessment of local government has occurred in the last few years. A public opinion survey conducted for the MEA program (Checchi, 1994), resulted in the following findings:

1. Municipal government is the major point of interface between the population and the state. Most of the population has contacted the municipal government (alcaldía) to resolve a problem while a small percentage has contacted the national government. Over 70% of the respondents know the name of the mayor, while less than 20% know the name of a legislator.
2. Nearly two thirds of the population express at least some confidence in local government, including a quarter of the population that express strong confidence in local government. On the other hand, still up to a third of the population expresses low confidence in local government.
3. Despite the growth in Cabildos Abiertos, local government is not seen as very participatory. Nearly two thirds of the population think the mayor makes very little effort to promote popular participation. Similarly, three fourths of the population know of little or no opportunity to participate in local government.

4. Awareness of the Cabildo Abierto is widespread. Two thirds of the population know what a cabildo is. Residents of municipal seats show more awareness (70%) than do residents of the rural cantons (60%). And those who have attended cabildos have a much higher degree of confidence in municipal government than those who have not. However, about half of those who have attended a cabildo, while having more confidence in local government, also feel there is little opportunity to participate in local government.

In their 1994 report, MEA evaluators stated: "the survey results are conclusive that the MEA program has had widespread success in increasing confidence in local government." (Checchi, pg. 14)

The recent analysis of public opinion quoted in the previous section (Seligson and Córdova Macías, 1995) also resulted in the following findings with regard to local government:

1. Salvadorans attend many more municipal sessions than do citizens in any other country in Central America. This should be attributed in part to the stimulus generated by the availability of funds through the MEA program which requires the holding of cabildos abiertos.
2. Nevertheless, attending a municipal session is not the same as presenting a petition to the municipality. The latter is a more active form of political participation. In the case of El Salvador, the high level of participation observed does not translate into a high level of petitions. At the regional level, El Salvador is the second lowest country, higher only than Nicaragua and much lower than Costa Rica.
3. Over a third of Salvadorans offer positive evaluations of the services provided by their local government, a level that is higher than any other country in the region. Moreover, some 45.7% consider that the level of services provided is "fair" ("regular"). It is noteworthy, however, that a large proportion give a higher rating to the treatment they receive from municipal authorities (nearly half consider it good or excellent) than to the services received.
4. Ratings of municipal services and of the treatment of citizens by local authorities are directly linked to support for the system of government at the national level.
5. The principal finding is that it is not the amount of participation that matters, but rather it is the quality of that participation that is central. Unless citizens feel that they are well treated by their local governments, no amount of participation will increase their support for the system.

As noted earlier, at the local level a high degree of reconciliation exists among citizens from all sides of the former conflict. The 1994 MEA evaluation report asserts that "the Salvadoran people are further along on the road to reconciliation than is imagined by the majority of ideologues and politicians, whether from governmental or non-governmental organizations." During focus group interviews with FMLN ex-combatants and meetings with former ESAF soldiers, tenedores and repatriated citizens, all expressed the unanimous opinion that, because they are all in the same boat - struggling to survive economically - who their neighbors are has become a less relevant question. Ironically, it appears that the degree of cooperation among the war-wounded from both sides is higher than for any other group.

Conclusions

1. To date, NRP activities aimed at strengthening local institutions and increasing civic participation have run largely on two separate tracks, one directed at municipal government and the other aimed at NGOs and community groups. Initiatives designed to foster the ongoing coordination of public and private sector efforts at the local level have been largely overlooked by project 0394. This lack of coordination retards efforts to move from scattered individual project activities, most of which involve local infrastructure, to integrated development planning. It also mitigates against the capacity of municipalities to handle effectively the increased responsibilities that are to be transferred to them if and when the announced decentralization of government authority actually occurs. USAID indicates that several such coordination activities have been initiated since late 1995.
2. Clearly, the high level of reconciliation that exists among ex-combatants, tenedores, repatriated citizens and other community members helps to foster overall civic participation. Though they work together to identify needs and propose projects aimed at resolving community problems, they receive little positive reinforcement.

Recommendations

1. USAID/SRN should give high priority to stimulating and funding efforts aimed at creating and testing model mechanisms for achieving coordination between municipal governments and NGOs at the local level.
2. USAID should engage with GOES policy makers as soon as possible on the broad issues of decentralization and municipal organization and planning, in order to develop proposals for implementation after the 1997 elections.
3. **Indicator 1: Open Town Meetings held; and, Indicator 2: Percent of cantons participating in MEA Program Town Meetings**

Table 20
Indicator 1: Open Town Meetings held
Baseline 1992:288

Year	Planned	Actual
1993	460	448
1994	460	423
1995	460	365

Source: MEA Program Data

Comment: 460 = 115 municipalities x 4 per year

Table 21
Indicator 2: Percent of cantons participating in MEA Program Town Meetings
Baseline 1992:50%

Year	Planned	Actual
1993	80%	63%
1994	90%	74%
1995	90%	89%

Source: MEA Program Data

Comment: Total number of cantons in NRP area is 871

Comments on indicators

It should be noted that USAID's data for indicators 1 and 2 do not coincide with those provided by the SRN. For 1995, USAID data show a total of 365 town meetings, while the SRN reports 280. For that same year, USAID reports that 89% of cantons participated, while SRN data show a total of 67%. In the time available, evaluators were unable to identify concrete reasons for these differences.

The particular feature of the MEA program which relates to the accomplishment of this intermediate result is the process employed for selecting the local projects to be funded. That is, as a mechanism within the NRP, MEA was re-formulated to promote reconciliation and citizen participation at the municipal level by requiring that all small infrastructure projects funded under 0394 be proposed by municipal residents at open town meetings (Cabildos Abiertos). The original National Reconstruction Plan, published by the Ministry of Planning and Social and Economic Development in March 1992 (pg. 26), calls for "Expanded Town Meetings" (Cabildos Abiertos Ampliados) "once a month and as often as necessary" in order to support the democratic process and achieve the following specific objectives:

- I) Support the process of coordination between the SRN, executing entities and municipalities.
- ii) Assist in the process of decentralization of the Public Administration.
- iii) Contribute to raising the awareness of community members regarding the need to work for peace and reconciliation within the country.

However, the Municipal Code adopted in 1986 stipulates that town councils are to hold open town meetings every three months - the frequency used as the baseline for the USAID indicator. As a result of the March 1994 elections which brought to office a new cadre of mayors, the rhythm of the MEA process and the celebration of town meetings was slowed somewhat by the learning curve for new incumbents. Reduced funding and a lack of incentives further slowed the process in 1995.

Findings

a. Civic participation at the local level

The literature shows that citizen participation in such activities as national/local elections, town meetings, NGOs, and social/community-based groups tends to foster democratic principles at the municipal level (see Robert D. Putnam, Making Democracy Work: Civic Traditions in Modern Italy, Princeton University Press, 1993). However, it is also clear that if citizens come to feel that their input makes no difference in terms of decisions made or results achieved, and that they are merely being used by local leaders as a "democracy" front, then the energy generated through active participation may be turned back on the system, at worst, or simply dissolve into apathy, at best.

Key questions related to increased civic participation as a force for building democratic institutions at the local level are when and for what purpose that participation takes place. If, for example, citizens are not involved from the beginning in the overall process of identifying, prioritizing and struggling with ways to meet local needs, then their understanding that they not only have rights but also responsibilities will be limited. This is particularly true with regard to formulating the municipal budget and holding officials accountable for fiscal management.

Evaluators found no examples of full citizen participation in the budgeting process at the municipal level. Traditionally, this has been a hermetically-sealed area, closed off to community members. However, some tentative efforts to change this were identified. For example, through the USAID Municipal Development and Citizen Participation project, since June of 1995 RTI has been working in seven municipalities in the Departments of Usulután (Ereguayquín, Mercedes Umaña, Usulután and Puerto El Triunfo) and Sonsonate (Acajutla, Sonsonate and San Julián) in the areas of finances, services and citizen participation. In about August of 1995, an agreement was signed with each of these municipalities, laying out work plans in the areas mentioned. With regard to finances, the purpose of the assistance provided is to increase locally-generated revenues through an updated assessment of businesses and other assets, effective tax administration, and updated service fees. Thus, RTI has provided technical assistance for determining the costs and income generated by municipal services. This has important ramifications for, as observed by evaluators while in the field, when mayors know more about municipal finances they are better able to dialogue with the private sector. Of particular note are the meetings called by town councils in Acajutla and Sonsonate with entrepreneurs in their respective municipalities to discuss the cost of services and the need to raise taxes and fees in order to support improvements in the quality of the services provided.

One of the municipal councils studied for this evaluation (Perquín, Morazán) regularly provides citizens with a written financial report, signed by the mayor and treasurer, on the status of projects completed, in execution, to be undertaken, and those in formulation or negotiation. This report shows dates, amounts and funding sources for all activities undertaken since the council took office. It also exhorts citizens to reflect on the information presented, "so that for each day that passes you may join the grand effort for peace, reconciliation and development." In addition, despite the division of the FMLN and PD - which probably makes the Perquín Council the only multi-party council in the country - it functions smoothly and on the basis of consensus. Open meetings (Concejos Abiertos) are held regularly in different cantons and caseríos within the municipality. The Mayor (who has never held public office before) believes that, through interaction with the Council,

community leaders learn indirectly to build consensus and to recognize priorities, emphasizing: "If the Council functions, then community boards can also function;" the former constitutes a model of participation and consensus for the latter. "This is a school for democracy where the mayor should consult and not be authoritarian." For over a year, open council meetings have also been held regularly in Cacaopera, Morazán, and are increasingly the modus operandi in some other municipalities visited, though the definition of "open" varies.

b. MEA allocations

For reasons discussed below, there was enormous confusion among the mayors and others interviewed concerning the assignment of MEA funds. A number of those elected in 1994 did not understand why they had received no MEA funds since taking office. The September 1995 COMURES National Mayors' Congress passed a resolution stating, "it is important to know with sufficient anticipation the criteria and corresponding assignments [of funds] by municipality, for which it is necessary to incorporate the principles of equalization and proposed participation, and not simply on the basis of population."

Some focus groups and key informants interviewed asserted that there was some sort of political discrimination against FMLN mayors, since after the March 1994 elections their municipalities had not received NRP-MEA budget allocations from the SRN. Therefore, the evaluation team decided to investigate this claim for the 15 municipalities won by the FMLN in the 1994 elections.

The table on the next page shows the NRP-MEA funds invested or that are planned to be invested in the 15 municipalities in question. Amounts are based on available information, and assume that the funds allocated were in fact transmitted to mayors in office from 1991 to 1994, and that they will be transmitted to those elected for the period 1994 - 1997.

The table verifies two important findings. First, as explained by USAID officials, the problem was not one of political discrimination, but of the way funds had been disbursed. As described in the previous section, MEA funds were to be invested in each of the 115 municipalities during the five-year life of the NRP, based on the total projected program budget. Later, the amount projected for the NRP-MEA program was reduced, but disbursements had already begun based on the initial calculation. For that reason, some municipalities had already overspent the amount finally assigned. It is important to point out that these funds are not allocated on a year-by-year basis. Rather, they have accumulated from the beginning of the NRP.

As shown in the table, of the total amount projected for the 15 FMLN municipalities (C55,254,464.20), 59.82% was expended in the period before the March 1994 elections, while 40.18% was expended from May 1, 1994 (when the newly-elected mayors took office) to May 16, 1996 (the date of this analysis of available data.)

Table 22
NRP-MEA Funds Invested in Municipalities Held by the FMLN Party
As of May 16, 1996

Department	Municipality	Mayor's Term in Office				Total Projects	Total Amount
		1991 - 1994		1994 - 1997*			
		No. PROJ.	AMOUNT	No. PROJ.	AMOUNT		
CUSCATLAN	SUCHITOTO	18	4,431,905.42	3	393,282.70	21	4,825,188.12
MORAZAN	MEANGUERA	5	2,209,172.00	-	-----	5	2,209,172.00
MORAZAN	JOCOAITIQUE	8	1,885,525.00	4	581,972.00	12	2,467,497.00
MORAZAN	PERQUIN	4	1,249,660.00	5	1,758,294.51	9	3,007,954.51
MORAZAN	ARAMBALA	8	1,461,548.00	4	2,257,505.10	12	3,719,053.10
MORAZAN	EL ROSARIO	9	2,410,137.00	4	863,956.06	13	3,274,093.06
CABAÑAS	CINQUERA	6	1,249,076.00	14	1,995,922.54	20	3,244,998.54
SAN VICENTE	SAN ESTEBAN CATARINA	16	2,745,719.00	6	639,408.00	22	3,385,127.00
SAN VICENTE	TECOLUCA	27	2,842,694.00	4	7,775,073.80	31	10,618,767.80
SAN SALVADOR	EL PAISNAL	21	2,355,600.00	7	632,128.16	28	2,987,728.16
CHALATENANGO	SAN JOSE LAS FLORES	14	2,166,943.00	6	1,072,150.60	20	3,239,093.60
CHALATENANGO	SAN ANTONIO LOS RANCHOS	14	2,127,516.00	5	420,002.72	19	2,547,518.72
CHALATENANGO	LAS VUELTAS	11	1,829,843.00	5	2,644,490.96	16	4,474,333.96
CHALATENANGO	ARCATAO	14	2,343,523.00	1	480,415.46	15	2,823,938.46
SAN SALVADOR	NEJAPA	17	1,742,338.00	7	687,662.17	24	2,430,000.17
TOTAL			33,051,199.42		2,203,264.78		55,254,464.20

* Elected on March 20 and took office on May 1, 1994.

Secondly, projects had been requested by the previous incumbents for a significant portion of the funds expended by the new FMLN mayors. In some cases, this has led new mayors to believe that they have not received any financing, since no funding has been provided for the projects they themselves requested. In the table, it is not possible to discern the percentage of funding expended by new mayors in very early 1994, which would reflect requests made by previous mayors. We have had to recur to another database, created by the CONARA Dirección de Fortalecimiento Municipal (Office of Municipal Strengthening), to review information on the projects financed by NRP-MEA up to February 29, 1996. Because the source is different, in some cases data do not coincide with the amounts included in our table. In any case, this was the only information which would allow us to pursue this inquiry. Because of the difficulties encountered with available data, we decided to select a random sample of six municipalities, analyzing each one of the projects financed by NRP-MEA in those localities.

In the case of Suchitoto, the three projects carried out during the new mayor's term were completed, with funds disbursed in the first five months of the new administration. No new funds have been available since then because, according to a USAID official, "they've exceeded the amount allotted." The same thing happened in Tecoluca, where three projects were completed under the new administration, and funds were disbursed within the first five months of the new term; no further funds have been made available. In the case of Jocoaitique, only one project (now completed) that was requested by the previous mayor was carried out under the new administration, and funds were disbursed in December 1994. There are three projects "not yet initiated" for 1995, for which funds were disbursed in July and September of 1995 and March of 1996. The same is true for El Rosario, where a single project, which had been requested by the previous mayor, was carried out under the new administration, for which funds were disbursed in October 1994. El Rosario has three projects "not yet initiated" for 1995, for which funds were disbursed in July and December of 1995. In the case of Perquín, during the new administration only one project has begun, for which an advance of 10% was disbursed at the end of July 1995; four projects "not yet initiated" were slated for 1995 and 1996, for which funds were disbursed in October and December of 1995 and March of 1996. In Meanguera, no projects have been executed under the new administration.

To pursue this inquiry, evaluators requested that USAID provide available information on the allocations, expenditures and balances remaining in the PRN-MEA account as of March 31, 1996 for the 15 FMLN municipalities. Results are shown in the table that follows.

Table 23
STATUS OF NRP-MEA ALLOCATION/EXPENDITURES/UNDERSPENT/BALANCE
FOR 15 FMLN MUNICIPALITIES AS OF MARCH 31, 1996

Municipality	Allocated	Expended	Underspent	Balance
Suchitoto	-1,280,740	0	0	-1,280,740
Meanguera	- 386,088	0.00	0	- 386,088
Jocoaitique	480,063	480,063	0	0.00
Perquín	741,667	880,643	177,800	38,824

Municipality	Allocated	Expended	Underspent	Balance
Arambala	1,042,886	522,530	0	520,356
El Rosario	797,349	770,123	9	27,235
Cinquera	695,937	727,546	31,610	1
San Esteban Catarina	540,448	540,448	62	62
Tecoluca	139,649	0	0	139,649
El Paisnal	200,403	193,956	46,548	52,994
San José Las Flores	507,779	507,779	0	0
San Antonio Los Ranch.	270,350	281,861	16,292	4,781
Las Vueltas	445,467	446,034	568	1
Arcatao	- 33,959	0	1	- 33,959
Nejapa	286,521	425,521	150,000	11,000

This table shows that three municipalities had exceeded the amounts allocated and, therefore, had a negative balance (Suchitoto, Meanguera and Arcatao). In five municipalities (Jocoaitique, Cinquera, San Esteban Catarina, San José Las Flores, and Las Vueltas), the allocation was virtually expended, leaving them with a zero balance. Ten municipalities have balances pending for the execution of projects in the coming months. Of these, seven (Las Vueltas, San Esteban Catarina, El Rosario, Nejapa, San Antonio Los Ranchos, Cinquera and Perquín) have limited funds (less than C40,000); El Paisnal has C52,994; and two municipalities have larger balances (Tecoluca with C139,649, and Arambala with C520,356).

c. Cabildos abiertos

With regard to the question of open town meetings, there was consensus among all focus groups and others interviewed in the field, as well as key informants representing COMURES and ISDEM, in the sense that, while MEA cabildos abiertos had been an effective device for "opening up the system" to citizen participation in the early stages of reconstruction, they tend increasingly to result in frustration or cynicism (i.e., diminished customer satisfaction) for all concerned. Because the SRN MEA database does not record projects executed by canton, it was not possible to correlate participation levels within municipalities with projects actually funded.

The February 1994 MEA evaluation concluded that one of the major deficiencies of the Program was that, "as currently structured, town meetings do not provide sufficient opportunity for popular participation." Moreover, the 1994 mid-term evaluation of the NRP confirmed that community members "wanted to have greater participation in the selection and execution of local projects." Results also showed that, where there has been greater participation, both local and central government are held in higher esteem.

With regard to the percentage of cantons that attend cabildos abiertos (USAID's second indicator for this Intermediate Result), Annex K presents information by canton for cabildos held from 1993 to 1995. It is important to clarify that the information provided by the SRN registers the cantons that participated in at least one cabildo during the year, but there may be municipalities in which some cantons did not participate in any cabildos, or that they participated in one year but not in another. Therefore, attendance averages are valid only for those cantons that attended at least one cabildo in the given year. The table provides information by department for those municipalities that were, as well as those that were not, included in the NRP, thus allowing for comparisons between the two.

Three major findings emerge from an analysis of the data presented in the table. First, as compared with the median by year for the entire country, higher attendance is observed for NRP cantons. Those cantons averaged 67.47% for 1993, 63.03% for 1994, and 81.94% in 1995, while non-NRP cantons averaged 59.45% in 1993, 57.87% in 1994, and 72.7% in 1995. Second, this finding of higher attendance by NRP cantons is also valid for the 12 departments with NRP municipalities, with the exception of Chalatenango, San Salvador and La Paz, where non-NRP municipalities have a higher level of attendance by canton. In the departments of La Libertad and San Vicente, attendance by NRP and non-NRP cantons is about even. Third, in reviewing the information by year, we find three patterns. The first emerges when 1993 is used as the baseline for the level of attendance by canton; in 1994 there is a reduced level, and in 1995 there is a recuperation of the attendance level. Cases where these changes have been most abrupt are found in the department of Santa Ana, which went from 72.9% in 1993 to 60.9% in 1994 and then reached 98.3% in 1995; and in the department of Cabañas, which went from 65.9% in 1993 to 43.1% in 1994 and 71.1% for 1995. The second pattern involves cases where there is no major variance from 1993 to 1994, but show a significant increase for 1995: La Libertad, San Salvador, Cuscatlán, La Paz, Ahuachapán, Sonsonate, Usulután, San Miguel, Morazán, and La Unión. The third pattern includes departments where there is a reduction in attendance from 1993 to 1994, but where the increase in 1995 reached 1993 levels: Chalatenango and San Vicente.

While the SRN manual on procedures to be used by municipalities in requesting MEA assistance is clear and straightforward, during the 1995 COMURES Congress, mayors requested that it be simplified "to facilitate access by municipalities to the financing of [public] works with national funds." Given the lack of clarity surrounding procedures and MEA budget allocations, plus the inability to meet all but a few citizen project requests, mayors are increasingly reticent to convene town meetings. As one mayor remarked, "How can I face my people when I can't get anything funded?" Meanwhile, the citizens contacted - many of whom had presented the same project request in town meetings for the last four years - used words ranging from "mediocre" to "frustrating" and "cooked deal" in describing their feelings about town meetings.

The Municipal Code states (Art. 115) that open town meetings are to be held quarterly to "publicly report on municipal management, treat issues that community members may have requested and those that the Council itself may consider convenient." Meanwhile, Article 4 assigns to municipal government the task of promoting "responsible citizen participation in the solution of local problems in strengthening civic awareness and democracy in the population," while Article 123 mandates that: "Municipalities should propitiate the incorporation of citizens in communal associations and their organized participation through them." Finally, Article 118 states that community members in all parts of the municipality may form communal associations "to participate in an organized fashion

in the study, analysis of social realities, and of the problems and needs of the community, as well as in the elaboration and promotion of solutions and projects to benefit same." Somehow, however, these concepts do not seem to come together at open town meetings.

Negative reactions to the cabildo abierto appear to be largely a function of their current design. That is, while citizens are asked to present their needs and to make project proposals, they are excluded from post-cabildo prioritizing and decision-making as to which projects are to be transmitted to the SRN for funding. Those functions are reserved exclusively for the mayor and town council at subsequent closed-door sessions.

d. Other approaches to citizen participation

Another approach to citizen participation open to municipal officials is the Consulta Popular (Popular Consultation). These are sessions convened by the municipal council so that citizens may express their opinion "with respect to a given project or policy to be carried out." (Art. 116, Municipal Code). Such consultations bring affected citizens together to discuss and vote on a solution to the problem in question. The Code further states that: "The Council may not contravene the opinion of the majority as expressed in the consultation." In several places visited, both municipal officials and community members alike spoke positively about their experience with such consultations, considering them to be an effective approach for resolving local disputes.

Two additional mechanisms for promoting civic participation are stipulated in the original Reconstruction Plan: Comités de Controloría Social (Social Monitoring Committees) and Comités Técnicos de Reconstrucción (Reconstruction Technical Committees). According to the NRP of March 1992, Monitoring Committees are to be composed of from three to five local residents who are not public employees. They are to be sworn in during open town meetings to "monitor and follow the execution of the agreements, contracts and projects that arise from cabildos abiertos and carried out by public or private entities within the framework of the NRP." A series of eight specific committee functions is laid out in the NRP, including the presentation of several types of reports during cabildos, handling citizen complaints related to projects undertaken, reporting complaints at town meetings, and related tasks.

Meanwhile, Technical Committees are to act as "an operating mechanism that facilitates the coordination of and attention to the different projects identified [at cabildos], so that they be prioritized and executed with technical-financial criteria." These committees are to include the mayor and one other member of the municipal council, a representative of the SRN, employees and/or representatives of public and private executing agencies, as well as representatives of the community associations and groups that participate in the cabildos abiertos. The nine Technical Committee functions listed in the NRP include the provision of technical support for projects and for the efficient use of funds, advice to the mayor and council, the preparation of reports and recommendations as requested by the mayor/council, contributing to the diagnosis of socio-economic conditions in the municipalities included in the Plan, training and advice to Social Monitoring Committee, help with the formulation of Local Development Plans, and the promotion of broad community participation in the different stages of program and project development.

The evaluation team could unearth no trace of either Social Monitoring Committees or Reconstruction Technical Committees in any of the municipalities visited. Though we are unclear as to whether any such committees were ever formed in NRP municipalities, we were told by several key informants that no such groups exist at the present time. This seems unfortunate, since the lack of mechanisms such as those described has diminished opportunities for increased civic participation and created frustration among residents.

Civic participation at the local level is also negatively affected by a general lack of knowledge of the Municipal Code. Interviews showed this to be the case at all levels, including town council members and even some mayors. In May 1995, FundaUngo conducted a survey of 2,200 students from various high schools in eight departments to check their knowledge of the Code. This resulted in three major findings: a) the national median is 24.9% (i.e., of four questions asked, students could only answer one correctly); b) this low level was found in both public and private schools, and among males as well as females; c) the only activity identified correctly by the majority (90%) as a municipal responsibility was garbage collection.

A number of other approaches which promote integrated development planning and increased citizen participation at the local level are now being tested. These include, for example:

- USAID/RTI's Municipal Development and Citizen Participation Project which is working in seven municipalities of Usulután and Sonsonate, as well as with both CDAs (Departmental Council of Mayors) at the departmental level. Major components include technical assistance to increase citizen participation through a departmental communication committee, as well as assistance to municipal financial offices.
- GTZ's PROMUDE Program which works with GOES, COMURES and ISDEM in support of decentralization and the strengthening of local government, one facet of which is helping ISDEM provide assistance to local governments in six municipalities for the formulation of integrated development plans, and another of which works directly with COMURES to strengthen that institution's capacity as the representative of Salvadoran mayors at the national level;
- UNICEF's PSBAP Program (Basic Services in Priority Areas) which, in collaboration with ISDEM, is testing a citizen-based System of Local Information (SIL) in 27 municipalities of Cabañas, San Vicente and Usulután;
- A variety of other local and regional initiatives by both public and private groups were also identified. These include, for example: FUNDAMUNI/PROCAP's work with public and private sector representatives to build consensus and formulate development plans at the municipal level in 27 communities in Morazán and Chalatenango; CODITO/CIPRODET's interinstitutional work in Tonacatepeque; the Morazán initiative, CORDIM, with support from the UN/ADEL/EULA; and the Municipal Development Planning Commission process underway in Suchitoto, with the active participation of community representatives.

These efforts appear mature enough to begin documenting and disseminating results to wider audiences, making these new approaches available throughout the NRP area. At least three NGOs

(FUNDE, FUSAI and FundaUngo) are in the process of documenting cases. For example, FUSAI's project titled: Support for Coordinated Actions between Municipalities and NGOs for the Strengthening of Decentralization and Local Development Processes has produced case studies from Perquín, Nejapa, Apastepeque and San Vicente (each with a different political party in power), and has several more on the way. In all likelihood, many other such experiments are currently underway and could add valuable lessons for the achievement of increased civic participation and stronger local institutions.

Finally, two legislative initiatives now part of the national debate (and which COMURES considers key priorities to be pursued after the 1997 elections) could significantly support future efforts to build democratic institutions and achieve greater civic participation at the local level. One would give municipalities the right to collect property taxes, thus strengthening municipal government, while the other would provide for proportional representation on town councils, which would create added incentives and "space" within which citizens could participate in local government.

e. MEA program sustainability

The long-term sustainability of the MEA Program has been an ongoing concern of USAID. As concluded in the 1994 MEA evaluation, "despite USAID's good efforts to guarantee the sustainability of the MEA process, there is a significant risk that the process will be paralyzed once USAID funds are exhausted."

Because SRN/MEA funds are ending, having been the main source of support for small infrastructure projects, the Salvadoran government included in the 1996 national budget C325 million (C300 million to be transferred to municipalities and C25 million for administrative expenses) to finance municipal governments. These funds are to be used "for the development of municipal social investment projects." The C325 million is in addition to the C125 million for the Fondo de Desarrollo Económico y Social de los Municipios (Municipal Economic and Social Development Fund) managed by the Instituto Salvadoreño de Desarrollo Municipal (Salvadoran Institute for Municipal Development - ISDEM) to stimulate and strengthen activities at the local level - C25 million for operating expenses and C100 million to promote the execution of projects of social benefit.

Thus, a total of C450 million for the 262 municipalities is included in the 1996 budget. In the case of the ISDEM Fund, created by legislative decree No. 74 in September 1988, since it began the annual appropriation had been C25 million, which was raised to C125 million in 1995. Therefore, the new element in the 1996 budget is the C325 million which, supposedly, is to fulfill the government's political commitment to channel to the local level one percent of the VAT tax increase approved in 1995.

COMURES officials and other key informants expressed concern that, though the additional C325 million had been included in the 1996 national budget, it may not be included next year. One key informant pointed out that the sustainability or continuity of the fund might become "a yearly battle." Meanwhile, a USAID official expressed the belief that this line item is likely to be carried forward, saying that the hard part was getting it into the budget and that what is now required is to provide criteria for "how it is to be spent," for which the legislation provides no guidance. The general

impression is that it is the SRN that will channel the C325 million for 1996. Nevertheless, at the end of this year, with the culmination of the NRP, the SRN is slated to disappear, and once more the discussion will revolve around the need to legislate these funds. The USAID official mentioned above felt optimistic in the sense that the Salvadoran government had adopted "the MEA methodology," which meant retaining two fundamental components: a) the formula that has been applied to calculate transfers (considered by that official to favor small municipalities, in that it is inversely proportional to the size of the population), and b) the holding of open town meetings as an approach for improving citizen participation. He noted that "COMURES needs to pressure to see that the existing formula is applied." Another possibility that some informants would favor is that, once legislated, these funds could be transferred directly by the Treasury (Ministerio de Hacienda) to municipal governments.

Conclusions

1. Current approaches to building democratic local institutions and increasing civic participation tend to emphasize citizens rights, without promoting an understanding of their responsibilities. This nourishes the assistentialist mode which has marked the emergency phase of the NRP, whereby citizens rely on others to meet their needs. While some activities incorporate citizen participation as counterpart labor (ayuda mutua), this occurs only within the context of a given project. The concept of accountability, particularly as related to budgeting and the use of funds is not yet well understood either by community members or by their elected officials.
2. MEA budget allocations and procedures are cause for great confusion and uncertainty among municipal officials and citizens alike. The dissemination of clear information on the current status of MEA allocations is sorely needed.
3. Allegations that the SRN has discriminated in the allocation of MEA projects against municipalities with FMLN mayors elected in 1994 were investigated in depth, and there is no evidence that this is the case. Instead, early in the MEA program these municipalities tended to receive greater attention, and as total program resources were reduced funding was not available to provide additional assistance while also providing the equivalent assistance to other municipalities not previously assisted.
4. There is also a need to revise the design of the town meeting process, incorporating methodologies for the participation of both community members and local government officials in prioritizing needs and choosing the projects for which funding is to be requested. Such an approach would not only help build more democratic local government and increase civic participation, but would also generate a greater awareness among citizens of the hard fiscal realities that must be faced in moving from an assistentialist mode for meeting community needs to one based on the principles of self-reliance and sustainable development.
5. To support such a new, more participatory cabildo abierto format, training will be needed for key actors in both the public and private sector. This would include the development of skills in such areas as participatory methodologies for project design, implementation and

monitoring; group facilitation and consensus-building; alternative dispute resolution and conflict management; strategic planning; the concept of accountability; and so forth. The January 1994 evaluation of USAID's NRP also recommended training for new mayors in such areas as "ways to promote reconciliation and the building of community spirit," and "conflict resolution and consensus-building techniques."

6. The results of the pilot projects and innovative experiments in citizen participation now underway could be captured and shared with key public and private entities throughout the NRP area.
7. Current information points to the government's intention to institutionalize the MEA program. However, careful monitoring and appropriate interventions by USAID, COMURES, ISDEM and other interested organizations will be needed to ensure that the program is, in fact, sustained.
- 8.. Although the MEA approval and implementation processes have been quicker than some other similar programs, the lack of clarity regarding project criteria and bureaucratic procedures, combined with long delays in funding and executing those projects that are selected, weaken confidence in both local and national government and reduce the desire to participate in the system or to help strengthen it.

Recommendations

1. USAID should urge the responsible institutions to incorporate participatory methodologies in the agenda of town meetings so that they are not limited to the presentation of needs, but include community input in prioritizing and decision making, thus creating new positive incentives for civic participation.
2. USAID should support training for local public officials and key community leaders in the implementation of the new participatory methodologies to be used during open town meetings. This should be done in cooperation with COMURES and appropriate NGOs or NGO networks.
3. In collaboration with other donors, USAID should coordinate the documentation of lessons learned from current experiments in alternative approaches to citizen participation, sponsoring a series of events aimed at sharing results with key public and private leaders after the 1997 elections, and providing technical assistance to newly-elected NRP mayors.
4. Together with appropriate specialists and donors, USAID should explore and promote the creation and strengthening of a private sector cadre of Salvadoran organization development specialists to ensure the availability of training and technical assistance to municipal governments and community organizations in support of participatory development planning at the local level, regardless of the party in power.
5. USAID should play an active role in monitoring plans for the institutionalization of the MEA program, providing whatever information, technical assistance or other support that may be

needed by SRN, COMURES or ISDEM to ensure the successful outcome of this historic transfer of responsibility.

6. USAID should channel a significant portion of remaining MEA funds to those 20 to 30 municipalities that are slated to develop in-depth planning processes with the active participation of citizens residing in those jurisdictions.
7. USAID should support the publication of a simple, clearly-written manual or similar material suitable for popular consumption which lays out existing sources and ground rules for community-based project funding under project 0394 and future USAID projects. This should be given to participating NGOs and municipal governments for distribution to communal associations.

4. **Indicator 3: Registered voters in NRP**

Source: Electoral Tribunal Records; Baseline 1991: 591,496

<u>Year</u>	<u>Planned</u>	<u>Actual</u>
1994		634,227 at end of April national voter registration campaign

Assistance related to this indicator was provided under activities related to a separate USAID/El Salvador Strategic Objective, and per Mission instructions this evaluation did not assess the adequacy or impact of this assistance.

5. **Indicator 4: NGOs participating in reconstruction activities**

Table 24
NGOs participating in reconstruction activities
Baseline 1992:82

Year	Planned	Actual
1993	---	103
1994	118	130
1995	120	131
1996	122	136*

Source: NRP Data (*) as of March 31

USAID's data for indicator 4 also does not coincide with those provided by the SRN. With regard to the number of NGOs participating in the NRP, USAID documents show 136 through March 1996, while the SRN reports 192. As with indicators 1 and 2 above, in the time available, evaluators were unable to identify concrete reasons for these differences.

Two types of citizen organizations are active at the local level. One type includes various forms of community-based groups, some of which are known as (Communal Development Associations),

while the other consists of NGOs that work at the sub-regional, regional or national level. The Municipal Code (Art. 119) states that communal associations, which must include a minimum of 25 persons, shall be given legal recognition by the respective Municipal Council. NGOs, on the other hand, must obtain legal recognition through the Ministry of the Interior, which must be signed by the president.

Findings

a. Participation of NGOs in NRP Activities

To appreciate the role of Salvadoran NGOs in the NRP, it is important to first understand something of their evolution during the war. During the 1980s, areas of the country such as Morazán and Chalatenango became FMLN strongholds. In battles for those areas, infrastructure had been destroyed and local governments ceased to function. Some 40 mayors went into exile in other parts of the country, where most remained for some two years after the signing of the Peace Accords, pending negotiation of their return. Once secured by the FMLN, the central government not only abandoned those areas, but also boycotted them. As a consequence, many NGOs sprang up to fill the void, and became the only providers of health, education and other basic services. Those NGOs tended to dedicate their efforts to meeting a specific basic need as quickly as possible and in as many communities as their scarce resources - provided largely by U.S. PVOs and European organizations - would permit. Many communities were therefore attended in a totally uncoordinated fashion by a variety of NGOs - one working on water, one on health, one providing education, and so forth. As stated in a 1991 study published by PREIS, titled Las Organizaciones No Gubernamentales (ONGs): Nueva expresión de la sociedad civil salvadoreña:

"By services and topics, the NGOs have dedicated their efforts to the field of humanitarian assistance, the emergency, survival. The NGOs have not developed experience in support of productive processes or economic initiatives beyond survival. This poses the challenge of constructing an alternative model in which the NGOs would have an assigned role. It is no longer a case of NGOs acting in emergency situations to distribute services, but of putting into play the experience accumulated during these ten years in order to empower the population to design said economic development alternative."

NGOs working in FMLN-controlled zones were generally labeled "FMLN NGOs" by the government. Thus, after the war a process of negotiation began to determine how and when the central government would again assume its rightful duties in those areas and mayors in exile would return.

Against this historical backdrop, the original NRP dated March 1992 stipulates that one of the SRN's main responsibilities is: "to promote the participation of NGOs, community associations and the private sector in the implementation of the Plan," and instructs the SRN "to design a series of mechanisms that facilitate the participation of NGOs in the execution of projects within the NRP," mentioning direct contracts with the SRN, contracts with municipalities or public entities, and contracts with other NGOs as models. The Plan also calls for technical assistance for the "institutional strengthening of governmental and non-governmental organizations that participate in the NRP."

Given above history, NGO participation was seen to be particularly important in reaching ex-combatants and other beneficiaries in areas which had suffered high levels of destruction during the war and where they had been working during the conflict. USAID data through March 1996 show the participation of 136 NGOs in the NRP, of which 52 are reported to represent the "opposition." USAID reports also show that approximately US\$87 million has been channeled through NGOs to NRP beneficiaries.

b. NGO selection

Early in the NRP, the question of which NGOs were selected for participation became a highly controversial issue. Those that had been working in key NRP areas during the war, and were thus considered to support the FMLN, claimed that their proposals were not being approved by the SRN on political grounds. As noted in various reports, at least through 1993, NGOs allegedly were being chosen on the basis of whether they were friendly to the government, or were FMLN or "opposition" NGOs. The SRN gave several reasons for not funding many so-called opposition NGOs, including their lack of technical skills and of official legal recognition (*personería jurídica*). As reported in Rescuing Reconstruction (May 1994, Hemisphere Initiatives): "Political criteria appear to have weighed more heavily than technical expertise in project assignments. Perhaps, in a pre-electoral period, ARENA was not interested in having the SRN fund projects that could result in political gains for the FMLN." Interviewees indicated that this situation has improved markedly over time. With regard to the lack of legal recognition, the report states, "negotiations between the government, USAID and the NGOs resolved that problem in late 1992." As discussed below, it was agreed to use a number of legally-recognized NGOs as umbrellas or "sombrillas" for those that had not yet obtained official certification.

Indeed, a USAID listing of 33 "NGOs sympathetic to the FMLN that had participated in project 519-0394" as of July 31, 1994, shows that as a group they had received a total of nearly US\$4.5 million, as compared with the US\$248,000 they received through November 1993, according to above-cited report. For that same period (to late 1993), the report shows a total of US\$21.2 million for Salesian NGOs, which had worked "in close coordination with the government for much of the 1980s."

c. Legal recognition

The Municipal Code states that legal recognition for ADESCOs for work at the municipal level is to be granted by town councils, while the law provides that regional and national NGOs are to be recognized by the Ministry of the Interior. However, for reasons which are still unclear, some ADESCOs have in fact been recognized by the Ministry, rather than by their respective town council. The overall question of legal recognition was raised by a number of interviewees as another point of controversy. Many felt that the approval of legal status by both town councils and the Ministry had been used as a political tool to limit support to those organizations which did not support the ruling party. This was seen to be especially problematic with regard to NGO recognition by the Ministry. To verify the facts surrounding this issue, at the request of the evaluation team, on May 6, 1996, the USAID Mission Director sent a letter to the Minister of the Interior, requesting data on the number and type of organizations (ADESCOs, foundations, associations, etc.) that had been granted legal recognition from 1992 through 1995. (It is hoped that a response will be received before this report is finalized.)

A number of NGOs reported that their requests for certification by the Ministry had been pending for up to five years. Several national and international agencies, including ONUSAL, have appealed to the Ministry to expedite the process. In June 1995, USAID sent a letter to the Minister, asking his intervention to gain legal recognition for 28 NGOs working directly or indirectly with Agency projects. The list transmitted to the Minister shows original submission dates as far back as 1985. Action by the Ministry is still pending, which only adds fuel to the fire of those who claim that the process is politically motivated.

d. "Sombrilla" arrangements

In late 1992, the use of umbrella or "sombriilla" NGOs, as envisioned in the original NRP, became a compromise solution for facilitating the participation of organizations without legal recognition. However, the selection of those and other NGOs for participation in the NRP is perceived to have been a closed process. The strong impression of NGOs and others contacted during this evaluation was that such decisions had been made unilaterally by SRN/USAID without benefit of transparent criteria or due consultation with the NGO community. An SRN report titled Principal Achievements to March 1996 shows the number of NGO projects funded under umbrella agencies:

Table 25
NGO Projects under Umbrella Agencies
Ex-combatant Reinsertion Program

Activity	NGO/PVO	# of Projects
Training	FEDISAL	21
FMLN/ESAF scholarships	FEDISAL	64
Training for ex-police	CREA (U.S.consul.firm)	17
Ex-police scholarships	CREA	19
Agricultural training	UNDP	6
Mid-level FMLN support	UNDP	15
FRATA I credit program	CRS (U.S. PVO)	19
Technical assistance	F-16	6

Table 26
NGO Projects under Umbrella Agencies
Social and Productive Development Program

Activity	NGO/PVO	# of Projects
Agric. diversification	CRS (U.S. PVO)	28
FRATA I	CRS " "	19
FRATA II	CRS " "	28

<u>Activity</u>	<u>NGO/PVO</u>	<u># of Projects</u>
Agric. diversification	CRS (U.S. PVO)	28
Microenterprises	CRS " "	9
NGO strengthening PRODEPAS I	PACT " "	40
NGO strengthening PRODEPAS II	PACT " "	10
NGO strengthening PRODEPASIII	PACT " "	11

Interviewees also cited a lack of participation by NGOs in the original design of project objectives, strategies and activities, which they believe reduced the effectiveness of reconstruction efforts. The SRN, and USAID by inference, were criticized by interviewees for what is seen to have been a top-down design/decision making process. NGOs, particularly those that had already been working in conflictive zones, are quick to point out how the program could have benefited from their experience and familiarity with the target population and why credit, training and other program elements were doomed to have less-than-ideal impact from the start.

e. Strategic planning

A USAID NRP project officer confirmed that there was virtually no NGO participation in the design of the NRP strategic plan for 1992 and 1993. In early 1994, a three-day workshop which included a limited number of NGOs was held to provide input into that year's plan. In September 1994, as preparation for the 1995 strategic plan, the SRN and USAID jointly sponsored a one-day NGO workshop to "improve and expand the participation of the NGO sector in the NRP" and in the annual strategic planning process. A total of 60 participants representing 28 NGOs, 5 government institutions, the SRN, and USAID attended. Five working groups were formed: agricultural credit and technical assistance, micro enterprise credit and technical assistance, NGO institutional strengthening, vocational training, and community development/infrastructure. Each working group then spent at least two full work days preparing a "strategic program framework," which was presented at a follow-on workshop approximately one month later. The second workshop was attended by 20 NGOs, 3 government agencies, the SRN and USAID. USAID reports indicate that this was designed to be an on-going process, with several workshops held during 1995 and the five working groups continuing to meet of their own volition on a periodic basis to "ensure a forum for discussion of cross-cutting issues, report on progress in implementing the 1995 Strategic Plan, and to participate in the design of the 1996 Plan." Apparently, NGO participants failed to take the lead, and no further working group sessions took place. It was decided that the planning process would be biannual. Therefore, input from the working groups was to be folded into the SRN/USAID plan for 1995-1996.

In early 1996, USAID convened an extended SSO team meeting to consider the scope of work for this evaluation, and another session was called for the week of May 27, 1996, in order for evaluators to brief the extended team on these results.

In March 1996, USAID sponsored a half-day "Seminar-Workshop with the Donor Community and NGOs," during which the Mission's Results Framework was explained and each of the four Strategic Objectives was discussed in small groups by interested attendees (extended SO teams).

f. Micro-Project Fund

In response to USAID/Washington's desire to increase NGO participation in the NPR, in March 1995 the Mission announced that USAID and SRN had "identified the need to further support and strengthen the NGO participation in Project 519-0394" and that "to achieve this goal the NRP will implement a Micro-Project Fund to finance productive and community projects for the economic reactivation of the ex-conflictive areas and to provide technical assistance (i.e., conferences, workshops, diagnostic studies) to the NGO community in establishing a broad-based national federation of Private Voluntary Organizations (PVOs)." (Imp. Letter No. 135.) A total of US\$700,000 was allocated for this purpose, US\$75,000 of which was reserved for the latter purpose. Following a series of discussions with the SRN, the Mission determined that the conditions set by the Secretariat were inappropriate, and therefore decided to administer the Fund directly, using the SDA mechanism. Original selection criteria stipulated that productive projects would be given priority, especially in rural areas, and that they should not last longer than six months, with a per-beneficiary cost of C400 and a high level of community participation. Instructions for funding requests also require the presentation of "Copy of minutes from a Cabildo Abierto showing that you participate and have requested this project through the Cabildo (in the case of infrastructure, however small it may be) of the municipality to which you belong." This means that, only those projects that have not been funded through the usual Cabildo/MEA mechanism are eligible for Micro-Project funding, thus creating negative incentives for participation.

As implemented, these micro-projects emphasize small infrastructure activities, with maximum funding set at C100,000 (about US\$10,000). A USAID technical committee reviews proposals and selects projects to be funded. The current head of that Committee is now in the process of revising criteria with a view to reversing negative incentives and raising the maximum amount to C350,000 (or US\$40,000).

When the Micro-Project Fund was initiated, USAID convened a meeting of NGOs to announce its creation and explain how it would work. The fact that no administrative/labor costs may be charged to these projects, and that there is a 25% counterpart requirement (which may be in-kind), resulted in minimal interest from the NGO community. Since no proposals were forthcoming from national or regional NGOs, USAID project staff began visiting NRP mayors to spread the word in their municipalities. To date, 19 projects have been funded, all to legally-recognized ADESCOs or community groups. A few NGOs (such as PROCAP/FUNDAMUNI and CORDES) have promoted the Fund as a way to supplement their work with local groups in key areas, often providing technical support for the preparation of proposals. The Director of one NGO reported that this mechanism is "much more efficient and flexible" than having to go through the usual SRN channels for such small projects. He did feel, however, that the maximum amount should be raised.

The Mission also announced to the NGO community the fact that funds had been reserved for the creation of a federation. This caused a stir, but resulted in few responses. Consequently, on November 20, 1995, a letter to some 50 NGOs was sent by the Mission, again announcing that

US\$75,000 was available "to support the organization of a national federation of NGOs, so that by consensus national NGOs may present to USAID work plans leading to the creation of the Federation." As a consequence, one proposal is pending. That proposal (which is from CIPHES, whose request for legal recognition is still pending) calls for a series of consultations, workshops, etc. The bottom line is that this overture on USAID's part, which was undoubtedly well-intentioned, is perceived by the NGOs consulted on this issue to have been an extremely awkward move. The letter triggered a whirl of phone calls and discussions among NGOs, speculating on USAID's intentions. Several NGO informants felt that the time has not yet come for a federation and that, in any case, it should be organized from the bottom up, not just because money is available. As one NGO leader said, "the letter caused great suspicion, and nobody wanted to take the lead," indicating that this sort of "disloyal competition" for unsolicited funds only divides the community and brings out the worst in organizational behavior. Another NGO (which is a member of CIPHES) reported that, once the fate of the CIPHES proposal is determined, it may propose something (as yet undetermined) by way of preliminary activities, but certainly not the formation of a federation.

It was noted by several interviewees that, some time ago, UNDP had also tried unsuccessfully to "get NGOs together." An NGO survey was conducted, covering location, project type, and so forth. However, as the Director of PROCAP/FUNDAMUNI reported, UNDP's concern was "it is necessary to coordinate." In other words, the emphasis was on NGO activities, not on how they could become stronger, healthier institutions or build avenues for collaboration.

g. The PROSAMI model

With regard to overall customer satisfaction, the design and selection process used in other USAID projects under the SSO stands in sharp contrast to that employed by project 519-0394. PROSAMI, a US\$25 million health sector project, which is also associated with the SSO, was mentioned by a number of interviewees as a much more suitable and effective process. PROSAMI is implemented entirely through a U.S. PVO which acts as "umbrella" for 34 local NGOs, nine of which have not yet been granted legal recognition by the Ministry of the Interior. (Concerted efforts by an FMLN attorney to gain certification for those NGOs were finally abandoned as a lost cause, and the lawyer voluntarily dropped all legal fees.)

The PROSAMI NGO selection process was based on the publication in newspaper ads of clear objectives, criteria, sites and target population, along with a request for proposals from any and all interested NGOs. The strengthening of participating NGOs and the sustainability of project activities are integral parts of project design, for which the umbrella PVO is responsible. Since the project began in 1990, 18 of the 34 local organizations have been transferred over to SETEFE, a government funding mechanism, with the Ministry of Health providing technical assistance and monitoring. The plan is to eventually "graduate" all participating NGOs once they become organizationally strong enough, and to institutionalize project activities as a regular part of the government's health program.

One PROSAMI NGO, FUSAL, has been contracted by the Ministry of Health to provide services in San Julián, and will probably be contracted for services in the Bay of Jiquilisco. The latter is due largely to FUSAL's work in Jiquilisco under USAID's project 0394.

h. NGO Sustainability

The PACT/PRODEPAS project, funded at nearly US\$2 million, was the only NRP activity carried out specifically for the purpose of strengthening NGOs organizationally. Judging from interviews with beneficiary NGOs, as well as with PRODEPAS (the Salvadoran NGO created by project staff when PACT departed) and written reports, PRODEPAS was only minimally effective. Originally funded to strengthen 40 NGOs in phase I, that number was lowered to 10 NGOs in phase II, and 11 in phase III. The selection of the NGOs that were to participate in this project was done by SRN and USAID. An initial "diagnosis" of the 40 NGOs targeted for Phase I was carried out by project staff, who then designed a series of courses based on those results with no feedback loop or consultation mechanism built into the process once those diagnoses had been completed and analyzed. That is, there was no overall participation by target NGOs in the selection or design of the courses to be offered. This diagnosis/design process was repeated for the 11 NGOs that were later selected for Phase III. (The ten Phase II NGOs had participated in Phase I and, therefore, no further diagnosis was carried out.)

The term "institutional strengthening" appears to have been interpreted largely as improved record-keeping and financial management, which are necessary but insufficient capabilities for a "strong" NGO. As noted in a May 1994 report by Hemisphere Initiatives, PRODEPAS focussed mainly on ensuring that participating NGOs "fulfill the administrative requirements established by USAID and the SRN." The report further states that, "by their own assessment, Salvadoran NGOs require training and assistance in a wide range of programmatic and administrative areas" and that training "must be sensitive to the particular historical experience and economic vision of these NGOs," concerns that remained "largely unaddressed by PRODEPAS." A number of the NGO participants interviewed felt that the project had been poorly designed and implemented. As one NGO leader put it: "the problem was the concept; though El Salvador has no real experience in this area, to save money they hired a bunch of local people who didn't know anything about NGOs." He followed by saying, "The great sin of international cooperators is that they don't analyze local experience and start from there." Another NGO lamented that, "no one has made any real investment in strengthening NGOs. It isn't just training and technical assistance; it's a whole new way of operating, a new way of thinking."

Commenting on PRODEPAS, the SRN Director for Programming and Evaluation noted that "the first year of PACT was not successful; it was mostly getting acquainted," adding: "It is necessary to bring good people to train them [the NGOs]." She also felt that, "NGOs shouldn't be treated like poor people; they should receive first-rate training." Her strong recommendation was that "NGOs be converted into real development agents."

Experience in the field of organization development (which is now an academic discipline in the U.S. and a few other countries) demonstrates that, in addition to being competent administrators, to become self-reliant NGOs must also develop capabilities in such key organizational tasks as strategic planning; membership, board and leadership development; budgeting and resource development; internal communications and external visibility; participatory project design, implementation and monitoring; proposal writing; facilitation and conflict/alternative dispute resolution techniques; and so forth. According to all reports, a large number of the 136 NGOs that have participated in the NRP remain organizationally underdeveloped and financially dependent.

It seems clear that most NRP NGOs have not given due thought to the question of sustainability. A number of NGO leaders interviewed felt that those organizations that depend primarily on money from the SRN will disappear once the NRP is over. The Executive Director of the Coordinating Council of Private Human Promotion Institutions of El Salvador (CIPHES) remarked that, as to the current status of sustainability, NGOs "haven't worked on that very much." CIPHES, which was founded in 1984, now consists of 47 member NGOs. It facilitates the identification and analysis among members of key issues facing the NGO community, and serves as a meeting ground for NGO coordination by area or programmatic focus. The Director noted that there is a need for a thorough discussion within the community as to why an NGO should be sustained - to provide jobs for the staff, or to provide program services?

The NGO Institutional Strengthening working group which formed during the September/October 1994 SRN/USAID workshops (see previous section) formulated the following recommendations for achieving that purpose:

- The NRP is perhaps the only source of funding for institutional strengthening of NGOs and, therefore, funds for this activity need to be increased.
- The GOES needs to establish the legal framework within which NGOs function.
- The proliferation of NGOs has further reduced funding availability.
- Community-based institutions (credit committees, "gremios") need to be included in strengthening activities.
- Joint NGO activities should be promoted within specific sectors.
- Training should be provided which improves institutional self-sustainability.
- A national agenda should be created to coordinate/integrate governmental and non-governmental programs.

A key issue related to long-term sustainability is whether/how NGOs that acted as executing institutions for channeling humanitarian assistance during the NRP can successfully make the transition from being providers of emergency services to becoming designers and implementors of sustainable development programming. As pointed out in above-cited PREIS study, while providing relief services, NGOs working in conflictive areas also honed their skills in the area of community organization and training within the poorest segments of society. This "human promotion" has been a specific contribution of those NGOs. The study then concludes that these skills must now be used "to promote human promotion that generates new attitudes regarding participation, democracy, self-determination, leadership, as a fundamental basis for achieving development as an alternative to the exclusionist, authoritarian, paternalistic and anti-democratic behavior that we have known." Finally, the study exhorts NGOs "to revise their organizational technology, as a function of the medium-term goals proposed [for post-war reconstruction] in the field of development and human promotion."

The Director of FUSAI (which has received NRP support), an NGO that appears to have made that shift and to be well on the way to self-reliance, believes that Salvadoran NGOs are only now beginning to "break with the cultural baggage of the past," citing politicization, lack of professionalism, and the "being poor makes us good" syndrome as examples. He further noted that, now that this process has begun, "there are no funds to provide the kind of training and technical assistance they need to become sustainable." He reckoned that only 15 to 25 of the newer NGOs are sustainable, remarking that "NGOs are like micro-enterprises; they appear when there's a demand and then disappear; few of them grow." These sentiments were echoed by a number of other NGO leaders interviewed.

There is evidence that those local NGOs that were created by U.S. or international PVOs specifically for the execution of NRP projects were left in a severely weak condition once funds were expended and the PVO departed. That is, foreign partners appear not to have made the necessary investments in building local capacity or providing for ongoing sustainability. Cases in point include PACT/PRODEPAS and CIR/CIRES. Therefore, the transition of those organizations from emergency services to a sustainable development mode will be particularly difficult.

Conclusions

1. As has already been shown in various studies and evaluations, the use of NGOs as executing institutions greatly facilitated the implementation of the NRP, and was essential for providing access to program services by the target population, a large percentage of which is located in remote, war-torn areas.
2. The design, execution and monitoring of the early phases of NRP project activities would have been considerably strengthened by the participation of local NGOs in those tasks from the outset. In addition, this would have avoided much of the early controversy that surrounded their role as purveyors of pre-determined, "cookie-cutter" activities handed down from San Salvador. However, given the lack of trust on both sides and the general political environment following the war, a full-fledged participatory process may not have been feasible.
3. NGO/customer satisfaction with project 0394, which is reported to have been exceedingly low in the initial stages (1992-1993), has improved considerably over time, especially in the last two years. Credit for this goes largely to USAID and its insistence that a broader array of NGOs be included in project activities, as well as its ongoing negotiations with the SRN to resolve other NGO-related issues. A number of NGO representatives from across the political spectrum expressed appreciation for USAID's support of their efforts and respect for the Agency's role in opening the program up to a broader group of NGOs, sentiments which did not always extend to the SRN.
4. USAID's attempt to promote the formation of an NGO federation was premature and unfortunate. Because of the way this was handled (i.e., sending a letter to 50 NGOs without broad prior consultation or exploration), the effort resulted in concern among NGOs and confusion as to the Mission's agenda vis-a-vis the NGO community.

5. No comprehensive profile over time of the organizational health and felt needs of the 136 NGOs that have participated in the NRP is available. Therefore, for most there is no baseline against which to measure institutional strengthening efforts or to design and execute appropriate interventions.
6. The organizational strengthening of participating NGOs remains a largely unfulfilled mission of the NRP. Efforts aimed at pursuing that mission have been exceedingly limited. The single project funded specifically for that purpose, PACT/PRODEPAS, was not successfully implemented. It did not meet the felt needs of many target organizations, nor did it provide the follow-on services that a number of them had requested. Proven, modern principles of organization development were not incorporated into that activity.

Recommendations

1. To provide an organizational baseline, USAID should invest in research on the current status of Salvadoran NGOs and the potential for future collaboration within the NGO community, stressing their structure, membership strength, beneficiary demographics, and the areas in which they feel they need training, technical assistance or other organization development support, as well as options for self-sustainability (including mergers as resources become increasingly scarce).
2. In selecting local NGOs for participation in any SSO activity, USAID should ensure that transparent and competitive processes and procedures are employed, similar to those used for PROSAMI, rather than relying on the submission by NGOs of unsolicited proposals.
3. USAID should support the provision of organization development assistance to the NGOs participating in this project, including those dealing with the war-wounded, in order to increase the likelihood that those institutions and the activities they carry out will be sustained over time.
4. USAID's criteria for the selection of U.S. PVOs for participation in this project should include their capacity and willingness to transfer key skills or proven participatory methodologies to local NGOs and to strengthen them as development organizations.

D. EX-COMBATANTS REINTEGRATED

Introduction

The quantifiable indicators used by USAID/El Salvador to measure achievement of this intermediate result are the number of ex-combatants who have received each of four specific benefits designed to assist with their reintegration. Recently, surveys have been conducted to attempt to measure the overall degree of reinsertion of the ex-combatants, and other information related to this issue has recently been made available. As this is a more appropriate approach to measure the intermediate result achievement, this section will begin with a discussion of the overall process of "reinsertion" and of the results of both objective and subjective measures used to explore the level of reintegration achieved.

Quantitative data for the four indicators used by USAID to measure the level of accomplishment of this intermediate result will then be presented. The findings, conclusions, and recommendations concerning ex-combatant access to training, credit and land are the same as those presented for the NRP region as a whole in earlier parts of this report. Thus, of the four indicators related to this intermediate result, only the second, which is related to the rehabilitation of wounded ex-combatants, is discussed in detail here.

1. Reinsertion of Ex-Combatants

The "Peace and National Recovery" agreement between USAID and the SRN (project No. 519-0394) originally assigned a relatively small amount of total project funds of US\$300 million for assistance to ex-combatants. However, as the project developed, that amount grew from US\$9 million in 1992 to approximately US\$124 million by the beginning of 1996, reducing funds available for infrastructure and other activities.

That increase demonstrates the political importance of this issue, particularly in the first stages of the peace process. Though this was technically defined as "assistance to ex-combatants," the purpose was to facilitate, if not guarantee, the "reintegration" or "reinsertion" of the ex-combatants. Nevertheless, there is no document that defines precisely what is meant by "reinsertion" or "reintegration."

Discussions by the evaluation team with focus groups and key informants showed that there is a variety of different interpretations of the words in question. According to an SRN official, reinsertion is the same as reintegration, and the concept applies more to ex-combatants from the FMLN than to those from the Armed Forces: "We've been clear not to promise reinsertion, but to offer opportunities; reinsertion is an individual decision." An official of an indigenous NGO explained that they visualize demobilization in three phases: concentration of ex-combatants, contingency and economic insertion. Meanwhile, a local community leader in the NRP region asserted that reinsertion applies to the civilian population as well as to ex-combatants, and that it meant insertion into civilian life and productive labor. A rural Mayor insisted that ex-combatants were not prepared for any productive activity and therefore could not be reinserted. Another rural Mayor believed that for ex-combatants the matter of trying to take up civilian life, "learning to live in civil society," requires that they adapt to a new socio-political scheme. In another municipality,

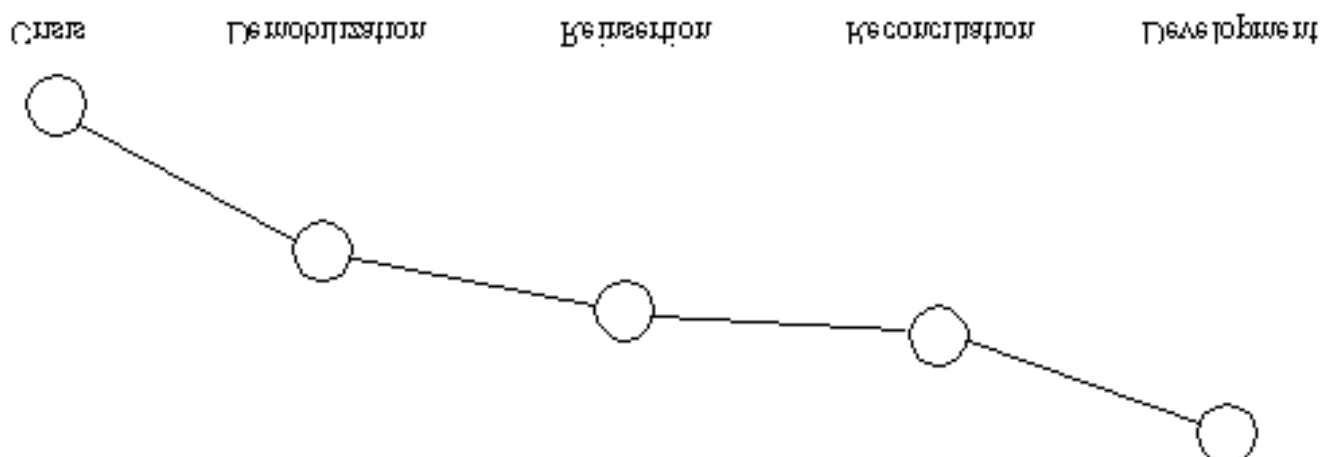
community leaders and demobilized troops asserted that for both sides it was a question of transformation from life in arms to insertion into civilian life.

Evaluating the degree of "reinsertion" of ex-combatants is quite a complex task since, as mentioned, nowhere is the term defined with precision. In most interviews, two common elements tended to arise when defining the term. That is, interviewees usually linked the reinsertion of ex-combatants with both civilian and productive life. However, to show the complexity of this topic, we would like to point out some of the different interpretations given by those interviewed:

1. For some, reinsertion is something that only applies to ex-combatants from the FMLN, since the armed forces were already "inserted" in the institutional and legal life of the country.
2. Others pointed out that reinsertion applies to ex-combatants from both sides of the conflict, noting that all had to shift from military to civilian life.
3. Still others felt that the process of reinsertion included not only FMLN ex-combatants, but also their civilian supporters and the entire population of displaced persons, both within the country and those returning from exile.
4. One interesting perspective was that "reinsertion" is not the issue, since ex-combatants were never "inserted" in the political and institutional life of the country in the first place and that, therefore, this is really a question of "insertion."

In considering the two common elements of the definitions held by key informants and focus groups, we see there is a central methodological problem. If one believes that reinsertion means insertion back into civilian and productive life, then the problem is that we have no systematic information available regarding what ex-combatants from both sides were doing before the war. Therefore, we can only compare the current situation of ex-combatants with that of other people to see if their perception of their social and economic status meshes with the rest of society.

During our interviews in the field, we used the following graphic representation of a continuum made up of stages, moving upward from "crisis" to "demobilization" to "reinsertion" to "reconciliation" and, finally, "development."



The vast majority of those interviewed felt that at present the armed conflict has been left well behind, and that the country is now approaching the end of the "coyuntura" or passage following "reconciliation" and leading to "development." This subjective opinion coincides with recent public opinion surveys which found that, overall, the Salvadoran population strongly rejects the use of violent means (Seligson and Córdova Macías, 1995).

In essence, to evaluate the level of reintegration of ex-combatants, in this case in El Salvador, the only approach available is to compare their current situation with that of the rest of the population where they have been inserted. The following sections are dedicated to that task.

a. Studies Related to Income and Reinsertion

One measure of reinsertion success would be to determine if ex-combatants have income levels equivalent to other citizens. The first survey on the impact of training and credit on beneficiary income was carried out by Daniel Carr & Associates - Impact Survey of National Reconstruction Program, March, 1996. However, based on three factors, the MSI team believes that the Carr survey is not at this time an adequate source to establish the impact of training and credit on beneficiary income. First, whether change in income has occurred or not is based on recall data. For instance, the respondent is asked to comment if he or she believes that income now is greater than that received prior to receiving credit. Recall data are frequently weak. Second, no control group is included in this study. This is a serious concern, as one cannot judge whether this income is equivalent to other civilians, or assume that respondents' perceived increased income was created by reinsertion benefits (the credit program) unless there is a basis for control group comparison. Increases in income could be due to factors unrelated to training or credit programs. They could, for example, come from increased "remesas" - remittances sent by family members overseas. Third, the Carr report also attempts to distinguish which implementing institutions achieved the greatest impact on increased income through their credit programs, but the sample size on a per-institution basis is very small and limits the confidence of the results. Annex H contains specific recommendations for resolving these issues for future surveys.

Several results of the Carr study are of interest, however. First, on a ten point scale, the ex-combatants rank their present quality of life at 3.3, compared to 2.5 in the past and with future expectation of 4.4. This indicates some degree of optimism that the future will be better. Similarly, on average the ex-combatants believe that their present income is 35% greater than it was in the past. Forty-three percent of the ex-combatants believe that their income from productive activities is greater now than in the past, and 66% believe that their total income is higher (reflecting the importance of unearned income - remittances). With the caveats on the study methodology mentioned above, it would still appear that the ex-combatants believe that their economic conditions have improved and hold some degree of optimism concerning the future.

The other study reviewed by the evaluation team was conducted by Creative Associates, Inc. (CREA) - Impact Evaluation: Reinsertion of Ex-combatants in El Salvador; Final Report, February 1996. This report was based on an analysis of a survey of 1,008 respondents interviewed between August and November 1995, of whom 352 were ex-combatants from the FMLN, 412 were former

members of the Armed Forces (ESAF), 94 were from the national police, and 150 were civilians (control group).

This study also found that the term "reinsertion" was not clearly defined. Project implementors and ex-combatants did not understand reinsertion in the same way. Responses showed significant differences in the definition, goals and scope of reintegration programming. "These differences generate a 'moving target' for reinsertion goals when recipients' expectations are different than the design assumptions and implementation policies." (p. IV-8).

Recognizing the lack of clarity regarding the definition of the term, the study points out that reinsertion was measured according to three yardsticks:

1. Subjective measure: ex-combatants were asked to assess their own level of reinsertion.
2. Objective measure: through a Reinsertion Index, a statistical framework was developed to gauge reinsertion according to these social and economic indicators.
3. An assessment of reinsertion among two control groups to compare ex-combatants' reinsertion first to civilians as well as to ex-combatants who did not participate in reinsertion programming, and second, to National Police demobilized.

Though this study includes a well-designed questionnaire and a comprehensive analysis of results, it is important to make two observations before discussing its main findings.

i. The "Reinsertion Index" as constructed does not necessarily resolve the original conceptual problem concerning the lack of a clear definition of reinsertion. Some of the variables used tend to measure improvements in the economic area (i.e., increase in personal income, perspective for better economic performance, increase in monthly family income, perception of economic growth, etc.) or family responsibilities or social mobility aspects, without a clear foundation for the relationship between them. In other cases, operationalizing the variables raises some doubt about whether the indicators used are the best. For example, what happens if the person reinserted has adapted to civilian life, but does not necessarily show improved income or is not totally satisfied with his/her present occupation? We are not convinced that the question: "Who are your best friends?" is the most appropriate way to support the statement: "ideally, the demobilized should relate to civilians and not limit himself to the fighters' brotherhood," (this measure is even more suspect considering that land was provided to former FMLN combatants grouped together with their former combat units), or that greater participation in community activities is now to be expected, without justifying why this is likely (p. 7-7). In summary, the problem persists as to how the dependent variable (reinsertion) has been defined and operationalized.

ii. The CREA report states that it "defined and interviewed two sets of control groups: civilians plus veterans who did not receive benefits; and national police demobilized." An examination of the data set reveals that these categories are not nearly as clear as they seem in the report. Based on the data, it is fair to say that nearly all of the sample interviewed was involved in the war in one way or another and these individuals are all ex-combatants. As a consequence of this problem, we are left without the "control groups" defined in the study as a basis for comparison. This has

implications for analyzing levels of reinsertion, since within this theoretical framework civilians were used as the reference point against which reinsertion is assessed - i.e., because civilians are reinserted by definition.

Despite these shortcomings, the evaluation team considers the following to be important findings from the CREA study:

1. Using the subjective measure, 62% of the ex-combatants judge themselves to be “much or very much” reintegrated.
2. On applying the "Reinsertion Index," the only group in the sample that cannot be called reintegrated are veterans who did not receive benefits. Although many individuals within this group considered themselves reintegrated, the group as a whole does not.
3. The CREA study points out that the number of benefits received by beneficiary has no direct impact on reinsertion. This finding is relative, since there is a conceptual problem related to using different benefit packages as the independent variable, while expecting an overall impact on the level of reinsertion (with all the problems this implies). Therefore, the issue of "no direct impact" could be a consequence of the way reinsertion was operationalized, and not necessarily that there is no relationship. Because of the importance of this issue, in the next section we re-analyze the data and report our findings.
4. Income is the single most important factor in successful reinsertion - beneficiaries with higher family incomes are clearly more reintegrated than those close to or under the minimum wage.
5. Some benefit packages were driven by supply rather than by demand.
6. Reinsertion programs were not specifically linked to formal sector employment or to existing opportunities.
7. Reinsertion programs aimed at improving ex-combatants' capacity, not performance. What matters in reinsertion, however, is performance - i.e., actual reinsertion, not just the potential for reinsertion.
8. Reinsertion programs were aimed at ensuring pacification during the transition, they "did not have specific development goals for their beneficiaries or for the communities destined to receive ex-combatants." (p. IV-8 of the Creative Associates Final Report).
9. On average, 56% of the ex-combatants believe that their incomes are higher now than they were right after the war, and 57% believe that they will be higher next year.

b. Reintegration of Ex-Combatants: The Impact of USAID Interventions

As noted above, the MSI team was given access to the CREA database, and was therefore able to conduct a re-analysis of that information aimed at disaggregating key variables from the 23 that had been included in CREA's Reinsertion Index. The purpose of the re-analysis was to explore the

impact of specific USAID-funded benefits to ex-combatants. Following an investigation of various specific benefits, a multivariate analysis was conducted. While a detailed report on the entire re-analysis is included in Annex I, the three major results of the multivariate analysis are as follows:

- Each of the interventions except vocational training had a positive and statistically significant impact on the respondent's perception of his/her degree of reinsertion.
- The most effective of the interventions were the scholarships, followed by the agricultural tool kits, followed by training, and trailed by severance pay.
- All of the interventions together, however, explain less than 4% of the total difference in the perception of reinsertion.

In summary, the Creative Associates study provides information which seems to indicate a relatively high degree of success in reinsertion of the ex-combatants, and an overall improvement in their economic situation since the end of the war. It is not possible to compare the degree of change of their economic situation with that of other civilians, however, nor is it possible to accurately quantify the amount of this change. Finally, it is not possible to draw clear conclusions concerning the impact of project interventions on the reintegration process.

c. Reintegration of Ex-Combatants: Political Attitudes

The MSI team was also able to arrange for the processing of data from a survey of 200 demobilized troops which had been conducted by the Fundación Guillermo Manuel Ungo between August and September 1994 (Encuesta sobre Perfil Socio-Económico y Actitudes de los Desmovilizados de Guerra) and to analyze the results. This survey has the advantage of including questions on the political attitudes of ex-combatants, as well as the more traditional questions concerning access to benefits and other socio-economic information.

Moreover, we were fortunate in that at the beginning of 1995, the University of Pittsburgh had conducted a study of public opinion on Salvadoran political culture, using a stratified sample representative of the entire country. A total of 1,600 individuals were interviewed, distributed in all 14 departments and in 46 of the 262 municipalities. In this study (Seligson and Córdova Macías, 1995) the same questions on political attitudes were asked that had been included in the 1994 study. These involved political tolerance and support for the system of government.

This permits us to not only describe the attitudes of ex-combatants, but also to compare their attitudes (at the end of 1994) with those of the civilian population (at the beginning of 1995). The resulting analysis is included as Annex K, and in this section we present only the principal findings.

e. Support for the System of Government

Political science literature has shown that the stability of the system of government is directly linked to popular perceptions about the legitimacy of that system. Until recently, efforts to measure legitimacy were influenced by belief in the "Trust in Government" scale created by the University of Michigan. That scale, it was finally shown, placed too much confidence in the measure of

dissatisfaction with the performance of government leaders, instead of general dissatisfaction with the system of government. Development of the "Political Support-Alienation" scale, now tested in other studies, has turned out to be a much more powerful analytical instrument for measuring legitimacy. This scale has been shown to have a higher level of confidence and reliability. It is based on a distinction made by Easton, based on Parsons, which defines legitimacy in terms of support for the system (that is, diffuse support) as opposed to specific support (i.e., support for government leaders). The questions were as follows:

1. To what degree do you believe that courts in El Salvador guarantee a fair trial?
2. To what degree do you have respect for Salvadoran political institutions?
3. To what degree do you believe that the basic rights of citizens are being protected by the Salvadoran political system?
4. To what degree do you feel proud to live under the Salvadoran political system?
5. To what degree do you think that the Salvadoran political system should be supported?
6. To what degree do you have confidence in the Supreme Electoral Tribunal?
7. To what degree do you have confidence in the Armed Forces?
8. To what degree do you have confidence in the Legislative Assembly?
9. To what degree do you have confidence in the government?

The principal finding is that in general the demobilized, both from the FMLN and the Armed Forces, exhibit lower levels of support for the system than the rest of the population. To simplify our analysis, three variables were offered: "no" support, "some" support or "much" support. In the category of "much" support, other citizens generally express higher levels of support than do the demobilized; and those from the Armed Forces express higher levels of support than demobilized from the FMLN.

In the category of "no" support, in some cases the demobilized show higher levels; in other cases, citizens express greater levels of "no" support; and in still other cases, the three groups exhibit the same level of low support. In any case, overall the demobilized from the FMLN exhibit higher levels of low support, compared with other citizens. In the case of support for the Armed Forces, nearly 80% of FMLN demobilized expressed no support for that institution; just over 60% manifested no confidence in the government; and nearly 40% of the FMLN demobilized expressed no confidence in the Supreme Electoral Tribunal.

With relation to those who responded "some" support for the system, generally FMLN and Army demobilized chose that option to a significantly higher degree when compared to other citizens.

In conclusion, more than half (55-70%) of the demobilized from both sides manifested at least some support for the system of government. This is followed by a group of about 20% who openly admit no support for the system. And they exhibit very low levels of "much" support for the system of government. In the case of other citizens, this group shows higher levels than the demobilized, and slightly less than "some" support, compared to the demobilized, which reinforces the point that citizens in general express higher levels of support for the system, though nearly one-fifth express "no" support.

f. Political Tolerance

Political tolerance has been measured in many studies by determining the willingness of individuals to extend civil liberties to specific groups. In some studies, such as those by Stouffer, groups are selected by the investigator. In other cases, a list of groups is presented and interviewees chooses the "least liked" group. However, it now appears that both methods produce highly similar results. In the study of El Salvador, tolerance is measured by concentrating on four of the more basic civil liberties: the right to vote, the right to carry out peaceful demonstrations, to run for public office, and the right to freedom of speech. The question was asked: There are people who only speak ill of the form of government; how strongly would you approve or disapprove of their right to: 1) vote? 2) carry out peaceful demonstrations for the purpose of expressing their views? 3) run for public office? 4) make a speech on television?

A tolerance scale was constructed with these four questions, for which results are presented in the following graph. Note that the scale goes from strong approval (1) to strongly disapprove (5), which means that the lower the number, the greater the level of tolerance. With regard to other citizens, the information is presented in accordance with their place of residence: the Capital, Santa Ana, San Miguel, municipalities of over 80,000 inhabitants, between 40-80,000, between 20-40,000, and fewer than 20,000. In addition, an overall sample from the 1995 study was added for areas more identified with the FMLN. The principal finding is that the demobilized are more tolerant than the rest of the groups in society, which coincides with the greater tolerance found in the FMLN sample in the 1995 study by Seligson and Cordova Macías. And the FMLN demobilized are a bit more tolerant than demobilized from the Armed Forces.

Finally, in this section we present a graphic in which responses by the demobilized are distributed in relation to the question: Do you believe that the country has entered into a democratic phase? The response shows the lack of confidence that exists in the process on the part of the demobilized at the end of 1994: more than 60% of demobilized troops from both sides do not believe that by the end of 1994, El Salvador had entered into a democratic phase.

g. Lessons

Based on the CREA study, the following lessons are drawn:

1. Reinsertion goals and scope should be clearly defined at the outset.
2. Policy-makers and program designers should know the target populations and their needs thoroughly before designing reinsertion programs.

3. Benefit tracks should be flexible and allow the demobilized to change options.
4. Reinsertion programming should be specifically linked to opportunities for income generation.
5. Reinsertion programming should include training in decision-making.
6. Reinsertion programs should be structured to reward performance.
7. Reinsertion programming should be demand-driven.
8. Counseling to support ex-combatants in developing realistic expectations should be an integral feature of reinsertion programming.

Conclusions

1. The design of the NRP did not include a clear definition of what is meant by reinsertion or reintegration. Reinsertion goals and scope should be clearly defined at the outset of the process.
2. The NRP may be considered successful in terms of dealing with demobilization, both during the period of concentration of military forces, as well as during the contingency stage.
3. Political logic has justified the investment made in attention to the ex-combatants to ensure the political stability necessary for executing the commitments included in the Peace Accords.
4. Due to the lack of clarity of the term, on evaluating the level of reinsertion we are alluding to the insertion of the demobilized into civilian and productive life. From various angles, the evaluation team considers that ex-combatant reinsertion or insertion into local communities has been achieved.
5. Nevertheless, to say that the demobilized have been reinserted or inserted in productive life does not imply any great economic success. As pointed out above, it is possible for programs designed for ex-combatants to be successful and to have their incomes raised over the levels they had immediately following the war, but that those who are reinserted into civilian and productive life are just as poor and frustrated as the rest of the inhabitants of those communities.
6. From the point of view of political attitudes, as compared with other citizens, the demobilized demonstrate higher levels of tolerance and lower levels of support for the system of government.
7. Reinsertion is not a term reserved for ex-combatants from the FMLN and the Armed Forces. Rather, to be successful it should also apply to tenedores and the displaced.

8. The design of reinsertion programs has not taken into account the differences between women and men, particularly the needs of female heads of household, and therefore at the end of the process it is clear that women have been less inserted and have greater problems with relation to productive activities (this is based on interview information and studies prepared by Fundación 16 de Enero with PACT funding).

2. **Indicator 1: Ex-combatants (men and women) receiving vocational or academic training**

Table 27
Ex-combatants Receiving Vocational or Academic Training
Baseline 1992: N/A

FY	Planned			Actual		
	Male	Female	Total	Male	Female	Total
1993	N/A	N/A	10,000	N/A	N/A	11,710
1994	N/A	N/A	6,192	N/A	N/A	5,071
1995	N/A	N/A	2,473	N/A	N/A	4,519
1996	N/A	N/A	432	N/A	N/A	N/A

Source: USAID documents (Semi-annual reports and annual planning documents lack gender disaggregation). Findings, conclusions, and recommendations concerning training activities are provided in section IV.A.1.

3. **Indicator 2: Ex-combatants (men and women) receiving rehabilitation services**

Table 28
Ex-combatants Receiving Rehabilitation Services

FY	Planned			Actual		
	Male	Female	Total	Male	Female	Total
1992	N/A	N/A	2,600	N/A	N/A	1,400
1993	N/A	N/A	975	N/A	N/A	1,397
1994	N/A	N/A	1,500	N/A	N/A	882
1995	N/A	N/A	1,800	N/A	N/A	722
1996	N/A	N/A	1,500	N/A	N/A	N/A

Source: USAID documents (Semi-annual reports and annual planning documents lack gender disaggregation).

Findings

a. Disabled Veterans Become Post-War Activists

The issue of assistance for ex-combatants from both sides and civilian war-disabled, as well as for families that had lost their provider as a result of the war, was addressed by the Peace Accords through the Peace Commission's (COPAZ) mandate in the New York Agreement of September 1991. That Agreement called for COPAZ to draft legislation aimed at helping those mentioned "to integrate into the State's social welfare system or receive adequate economic compensation."

In the face of inaction, by August of 1992, the NGOs representing wounded veterans from the Armed Forces (ALFAES) and the FMLN (ASALDIG) called a joint demonstration, taking over the National Assembly as a way to force attention for a bill proposing a "Law for the Protection of the Wounded and Disabled as a Consequence of the Armed Conflict." Such a law was passed in December 1992, calling for the creation of a semi-autonomous Protection Fund. In January 1993, the Fund was established within the Ministry of Labor and is to have a 50-year life span. It was mandated to cover three areas: a) pensions to wounded veterans from both the Army and FMLN in accordance with their degree of disability, as well as to war orphans (to the age of 18) and to the elderly parents (55 for mothers and 60 for fathers) and to the disabled children and parents of any age of troops from both sides who were killed in the war; b) medical and rehabilitation services; and c) material equipment, such as wheelchairs and prosthetic/orthotic devices. It should be noted that, following the take-over of the legislature and subsequent demonstrations, ADEFAES, the umbrella organization for the two veterans groups, met with the President and reached agreement on providing to ADEFAES members land for about 3,000 beneficiaries and vocational training for another 2,000.

Because of further inaction, in August 1993 ASALDIG and ALFAES again called a demonstration to force the appointment of the Fund's Board, taking over its offices. Shortly thereafter, a nine-member Board was named, including representatives of the Ministries of Labor and Health; the Social Security office; the Armed Forces; the Salvadoran Rehabilitation Institute; the National University medical school; ASALDIG and ALFAES.

To identify the universe of wounded veterans, at the request of COPAZ, in November 1993 a census was conducted by the EEC's Program for War-Disabled Productive Reinsertion (PROLIS) in coordination with UNDP and the Canadian Assistance Program. The census revealed that 12,000 were left handicapped by the war: 5,700 belonging to the Armed Forces (87% of what the army reports); 4,100 from the FMLN; and 2,200 civilians. The census did not cover orphans and parents. A number of interviewees reported that many war-wounded did not identify themselves to census takers because they distrusted the motives behind the inquiry. However, only those who were counted are eligible for benefits, with the exception of those who can prove they were out of the country at the time. In November 1994, the government initiated a process of medical diagnosis of those included in the EEC census, as well of those who reported to ONUSAL and the Fund offices within the period of time specified in the July 1994 amendments to the Law to determine the degree of disability. Though questioned by many, the 1993 census figures represent the best estimate available.

Because a table of pension benefits had not yet been defined, nor benefits paid, in March 1995 ALFAES and ASALDIG organized a third demonstration, demanding a meeting with the president to negotiate the formula to be used for calculating those benefits. The meeting occurred shortly thereafter, and on April 7, 1995 wounded veterans began to receive pension benefits from the Fund. Pensions are based on the 1994 minimum wage of C1,050; those with 10% disability or less are given a one-time payment of C6,000. This is the only benefit the Fund has yet begun to provide.

The government's Report on Compliance with the Peace Accords as of October 31, 1995 states that the Fund had "evaluated 11,095 beneficiaries to date, of which 6,528 are receiving pensions and 3,043 have received their corresponding indemnifications. The amount invested in this activity totals to US\$8.1 million. Furthermore, diagnoses have been made of 11,763 disabled persons and there are 261 persons whose cases have not been judged because they have not attended the specialized medical consultation. The Fund has also taken care of 371 appeals filed by persons who were in disagreement with the decision." The report also states that in September 1995 the Fund began the validation of elderly parents and minor children of fallen combatants, and that the relatives of 2,497 combatants "have joined the validation process," noting that they live in the "six Departments where the Fund's Visit Program has already been implemented."

An ASALDIG official who is a member of the Fund's Board noted during an interview that, though a 1996 Fund budget request of C200 million had been sent to the Legislative Assembly, only C90 million had been approved. In his view, "the government never really accepted responsibility for the disabled."

During the various ALFAES-ASALDIG street demonstrations, police were brought in, and by use of force settled what, in effect, became a highly-emotional, politically-charged issue. Public opinion, which does not generally favor forceful measures such as the taking of government installations by demonstrators, reportedly sympathized with the protestors' cause, given the images of police brutality in the treatment of the disabled.

In summary, pensions for wounded veterans have been the only war-related issue that has disturbed the peace since the signing of the Accords.

b. USAID's Approach to Services for the War-Wounded

Medical and rehabilitation assistance has been provided mainly through USAID funded projects, and accounts for a large portion of the assistance provided to the war disabled to date. USAID decided that, rather than working with the Fund, NRP disability initiatives would be pursued only through other institutions involved in medical and rehabilitation services. The Mission had been providing support in this area through its HPN office since the mid-1980's. That support emphasized improved rehabilitation services for Salvadoran civilian amputees, and later evolved into a three-pronged strategy addressing emergency, short- term and longer term needs. In 1987, USAID began a major effort to build the capacity of a local NGO (FUNTER) to manufacture prosthetic devices and to provide those and complementary rehabilitation services to civilians. From August of that year to June of 1994, USAID provided direct grant funding of nearly US\$6.5 million, US\$1.5 million of which was from project 0394. Currently, 40% of FUNTER's cases are war-related, and 60% are normal medical problems.

Among the services included in the contingency or emergency phase of the original NRP was the rehabilitation of the disabled, including "services for physical and mental rehabilitation linked to productive training for beneficiaries." In phase II, the Plan called for pensions to approximately 1,600 wounded "to provide economic support to ex-combatants with permanent disabilities caused by warfare and who are unable to rehabilitate themselves physically as well as productively."

During the war, the wounded on the Armed Forces side were treated at the military hospital, which is said to be the best equipped facility in the country, and by the Armed Forces Center for Professional Rehabilitation (CERFROFA). For that reason, once the Peace Accords were signed, USAID's NRP projects focused on providing services for disabled FMLN ex-combatants.

As with other components, project 0394 funding was channeled through the SRN. Some US\$4.5 million of NRP funds went to support six projects, the largest of which involved US\$3.8 million to the Ministry of Health (MOH) for the "Medical Attention to the Disabled" (AMED) program, through which a large number of FMLN war-wounded were treated. Mission documents show that, between October 1992 and August 1994, the MOH, ONUSAL, FMLN, FUNTER and the Salvadoran Institute for Rehabilitation (ISRI) worked together to develop a system for treating FMLN disabled, providing 19,330 medical consultations, 1,269 surgical interventions, 4,214 physical rehabilitation treatments, 166 prosthetic devices, and functional training to 26 blind ex-combatants.

In late 1994, USAID entered into a US\$3.8 million cooperative agreement directly with the World Rehabilitation Fund (WRF) to assist local institutions in providing rehabilitation services to the war-wounded. This agreement is to expire in March 1997. To guide this activity, a tripartite Advisory Committee was created, involving USAID, SRN and WRF. Meetings are held on a weekly basis. According a WRF representative, start-up was delayed by some six months, in part because of the different approaches envisioned by that organization and USAID.

Under this "umbrella" mechanism, WRF organized a competitive process to select executors of the activities to be undertaken, including social services, medical assistance, and prosthetic/orthotic services. To date, WRF has provided eight grants to seven agencies - three public and four private, including FUNTER, ASALDIG, FUNDASALVA and PODES.

c. The Sustainability of USAID-Assisted Rehabilitation Institutions

USAID decided early in the reconstruction effort to focus its NRP activities addressing the war-wounded by providing support to organizations "with sufficient management and technical capacity to implement the programs. USAID's NRP activities in this area never intended to build the capacity of the Salvadoran rehabilitation organizations. This agreement was reached with the GOES after a long and exhaustive negotiation process."

The question of strengthening the institutional capacity of the agencies participating under the WRF agreement was interpreted differently by USAID and the WRF. WRF notes that, in addition to providing attention to patients, the goals of the agreement also relate to the strengthening of the responsible GOES agencies and of participating NGOs, as well as the establishment of a service network.

Per the minutes of the July 13, 1995, Advisory Committee meeting, WRF proposed channeling the execution of the Medical Assistance and Prosthetic/Orthotic sub-components through the Fund for the Protection of the Disabled, providing the necessary technical assistance "so that this autonomous institution, responsible for actions in favor of the war-wounded, may become stronger for the fulfillment of its functions." The SRN representative concurred, but the idea was rejected by the USAID representative. With regard to participating NGOs, reportedly USAID also made it clear to WRF that language in the cooperative agreement was not to be interpreted to mean that institutional strengthening was to be provided for those organizations.

In sum, USAID's efforts in this area do not appear to take into account the post-project sustainability of the activities undertaken on behalf of the disabled, nor of the organizations involved in carrying out those activities. In response to questions about the sustainability of participating institutions, a WRF representative stated that, while many will remain, FUNTER may not survive; that "USAID created a monster that may collapse under its own weight," referring to the new multimillion dollar building that must now be paid for. He also noted that the Fund needs help in formulating appropriate proposals to take to the National Assembly regarding health services, as well as technical assistance in other areas. He then remarked: "Two days after we leave, there will not be a WRF footprint in the sand." USAID reports that some time ago a letter was sent to the Fund offering technical assistance, but that no response was received.

Conclusions

1. The government has been extremely slow in taking action to fulfill its commitment to the war-wounded as envisioned in the Peace Accords, having acted only when pressure was brought to bear by disabled troops from both sides of the conflict. This is undoubtedly one of the longest-delayed commitments in the Accords.
2. Given the magnitude of the full package of benefits stipulated in the Law (which has not yet been officially calculated), and the state of the Salvadoran economy, it will be very difficult for the government to fulfill its legal responsibilities to the war-wounded and to the relatives of those killed in action in the foreseeable future.
3. Disabled veterans, who represent approximately one-quarter of the ex-combatant population, are the only group of citizens who have felt it necessary to disturb the peace in order to demand attention to their war-related needs.
4. To date, only one element of the benefits promised to the war-wounded and their families under the Law has been implemented. That is, so far only pensions to the disabled ex-combatants themselves have been provided. Pensions for orphans and elderly parents, as well as other sections of the Law, are yet to be implemented. Medical and rehabilitation assistance has been provided mainly through USAID funded projects.
5. The Fund established under the Law (the equivalent of the U.S. Veterans Administration), needs training and technical assistance to help coordinate health care and other benefits among all providers and to ensure that its mandate may be pursued as effectively and

efficiently as possible over the long term. While some technical assistance is being provided by the European Community through PROLIS, USAID is not working with the Fund.

6. USAID's current activities addressing the war-wounded do not address the organizational development of the institutions with which it is working. This diminishes the probability that those activities and implementors will be sustainable over time.

Recommendations

1. USAID should review its policy regarding collaboration with the government's Fund for the Protection of the Disabled, seeking to coordinate training and technical assistance with other cooperators in order to support the development and consolidation of this institution as the official entity responsible for services to the war-wounded from all sides.

4. Indicator 3: Ex-combatants (men and women) receiving credit

Table 29
Ex-combatants (men and women) receiving credit
Baseline 1993: 8,085

FY	Planned			Actual		
	Male	Female	Total	Male	Female	Total
1994	N/A	N/A	6,794	N/A	N/A	2,234
1995	N/A	N/A	1,500	N/A	N/A	4,362
1996	N/A	N/A	N/A	N/A	N/A	N/A

Source: USAID documents (Semi-annual reports and annual planning documents lack gender disaggregation).

Findings, conclusions, and recommendations concerning credit activities are provided in section IV.A.2.

5. Indicator 4: Ex-combatants and tenedores (men and women) receiving land

Table 30
Ex-combatants and tenedores (men and women) receiving land
Baseline 1993:2,635

FY	Planned			Actual		
	Male	Female	Total	Male	Female	Total
1994	N/A	N/A	7,200	N/A	N/A	8,621
1995	N/A	N/A	7,200	N/A	N/A	6,310
1996	N/A	N/A	3,600	N/A	N/A	N/A

Source: USAID documents (Semi-annual reports and annual planning documents lack gender disaggregation).

Findings, conclusions, and recommendations concerning land transfer activities are provided in section IV.A.4.

E. ANALYSIS OF USAID’S SPECIAL STRATEGIC OBJECTIVE FRAMEWORK

1. The strategic goal and purpose

The Peace Accords were a political settlement of a violent civil war that caused widespread death and destruction, and fundamentally changed Salvadoran society. When the Peace Accords were signed there was mutual distrust and hatred between the warring parties, and the objective was to find a way to convince those with weapons to surrender them, and to bring an end to the conflict. As a UNDP study has stated, “The peace agreement does not directly address the profound economic and social inequalities that fueled the civil war. However, the consolidation of the political reforms is both necessary and urgent if a future process of political bargaining is to define a more equitable model of economic development.”⁷ It also notes that the “FMLN’s decision to pursue political and military reform rather than extensive economic reform as a clear priority was consistently signaled throughout the process.”

The economic provisions that are included in the Peace Accords are vague, with no clear definition of scope or duration. They focus principally on measures to provide land, credit, and training to the ex-combatants and civilian population supporting the FMLN, and on the reconstruction of damaged infrastructure and on the satisfaction of the immediate needs of the population hardest hit by the conflict. The GOES National Reconstruction Plan (NRP) was drafted prior to signature of the Peace Accords (with some USAID assistance), and was submitted for FMLN comment subsequent to the signature of the Accords.

The NRP is ambivalent about the degree to which it is a long-term development effort. It indicates on page 7 that the NRP “does not have an objective the resolution of all of the national economic and social problems, which are in large part the result of years of deficiencies in both areas.” However, on page 12, the Plan states: “...as part of the Government’s strategy to alleviate poverty, it proposes to create development opportunities in the territory most affected by the conflict, generating stable income for the priority population, satisfying felt needs of these communities, and investing in projects that remove the obstacles to development of activities in the target region.”

The design of USAID assistance and of its strategic framework closely parallel the interventions called for in the NRP, as well as its short-term time horizon. However, as will be discussed below, USAID’s commitment was targeted on implementation of the Peace Accords and sowing the seeds of future growth, not on undertaking a long-term commitment to the affected region.

The definition of the USAID goal and purpose in supporting the implementation of the Salvadoran Peace Accords has varied slightly over time, as is shown below:

⁷ Adjustment Toward Peace: Economic Policy and Post-war Reconstruction in El Salvador, UNDP, El Salvador, May 1995.

	Original Project Paper January 1992	Amended Project Paper March 1993	Strategic objective #1
Program Goal	To support El Salvador's National Reconstruction Plan in consolidating the peace process, helping resolve societal unrest, and sowing the seed for future growth with equity and strong democracy.	To support El Salvador's National Reconstruction Plan in consolidating the peace process, furthering national reconciliation, and sowing the seeds for future growth with equity and a stable democracy.	To assist El Salvador make the transition from war to peace, by promoting the peace process and sowing the seeds of future growth with equity.
Program Purpose	To promote the economic and social reactivation of the conflictive zones by restoring infrastructure and access to basic services, and assisting the democratic reintegration of their population.	To support implementation of the Salvadoran Peace Accords and the National Reconstruction Program by assisting the reintegration of ex-combatants, the economic and social reactivation of the formerly conflictive zones, and the democratic reintegration of their population.	To promote the economic and social reactivation of the ex-conflictive zones by restoring infrastructure and access to basic services and assisting the democratic reintegration of their population.

While there is some difference in emphasis in these statements, particularly between the Amendment number one goal and purpose definitions compared to those that came before and after, the conceptual targets for this assistance have remained fairly constant over time.

There is also considerable consistency over time in the conceptual link of these statements with the higher order definitions of USAID agency-wide objectives. The initial project paper targets this assistance on the USAID Latin American and Caribbean Bureau objective of responding to specific challenges, in this case the disaster brought about by war. This remained unchanged in Amendment 1. The Strategic Framework later linked this effort to the Agency-wide objective of broad-based economic growth, but specifically associated the program with a shorter term goal as a prerequisite for long-term sustainable development. The latest Mission strategic plan links the special strategic objective to the Agency goal of "Lives saved, suffering reduced and development potential reinforced."

Finally, Project Paper Amendment 1 clearly states: "The guiding principles for the USG assistance package, as expressed in the original Project Document, are an immediate response capability, simplicity and flexibility. We wanted to demonstrate support for what is clearly a Salvadoran recovery program by helping to meet immediate needs and funding gaps, especially in the critical start-up phase." There is a tendency in evaluating a massive program like this, which provides nearly \$300 million in USG resources to a small country over a short time-frame, to judge it against inappropriate criteria, and to expect it to achieve too many things. There is no doubt, however, that this initiative was to provide intensive support for the transition to peace, and was not intended to pursue longer term development priorities. At the same time, the need for longer term development in the impoverished and war torn NRP region required that the short-term activities be congruent with and supportive of longer-term goals.

Conclusion

1. The focus of the Special Strategic Objective was on demobilization and reinsertion of the ex-combatants, and laying the groundwork for the longer term development of the NRP region and its inhabitants, rather than on actually achieving this development.

2. Strategic objective indicators

The indicators chosen to measure program performance in relation to this strategic objective are the following:

Indicator 1: Difference between the percent of the rural population living in relative poverty in the NRP region with that of the country as a whole:

Year	Planned	Actual
1993 (baseline)	N/A	-4.34
1994	5.41	-2.77
1995	4.41	-2.74
1996	3.41	N/A

There are two categories of poverty tracked in El Salvador: “extreme poverty,” which is a level of income below that required to purchase a “canasta basica,” i.e. minimal food and clothing requirements. The second category is total poor, which the GOES defines as those having incomes less than twice the amount needed to purchase the “canasta basica.” The indicator shown above attempts to track the difference between these two figures, i.e. the percentage of the population that is poor but not extremely poor - the relatively poor. It shows that the percentage of people in this category in the NRP region is less than the percentage for the population as a whole. This is not a very useful indicator, and can in fact be misleading. The percentages of total poor and extremely poor in the NRP region in 1995 were both greater than for the country as a whole: 64.4% of the NRP population were poor as opposed to 58.2% for the country as a whole, and 35.4% were extremely poor, as opposed to 26.5% nationwide.

Indicator 2: Difference between the percent of the rural population living in extreme poverty in the NRP region with that of the country as a whole:

Year	Planned	Actual
1993 (baseline)	N/A	14.80
1994	7.48	7.93
1995	6.48	8.97
1996	5.48	N/A

As stated earlier in this evaluation, the USAID objective was to assist with the transition from war to peace and to sow the seeds for broad based development, rather than to achieve that development. The program interventions designed in response to the Peace Accords and the NRP were selected to achieve the demobilization of the competing armed forces and their reintegration into civilian life, and to repair damaged infrastructure and improve access to factors of production and key social services so that the population of the region most affected by the war could begin a process of reactivation.

The evaluators consider it unreasonable to expect that these interventions would result in a narrowing of the level of poverty of this region compared with that of the rest of the country, particularly during the life of this program. There are several reasons for this conclusion:

- a. The region targeted by the NRP includes the geographic areas that have the poorest, least productive soils, and mountainous terrain that raises transportation costs. In addition, the region has limited potential for the irrigation projects, without which high value export activities are excessively risky. Finally, a program that focuses on “reconstructing infrastructure to its previous level in this chronically poor region does not address the fact that the infrastructure was inadequate to begin with.
- b. While USAID investment in the rehabilitation of damaged infrastructure was substantial, it still only represented a portion of the total need. For example, only 20% of the damaged roads have been reconstructed. Reconstruction of major roads and bridges, financed by other donors, are either still underway or are yet to begin. Much of the NRP region therefore remains a high cost area at a competitive disadvantage in the more demanding markets of the 1990s.
- c. The population of the NRP region has historically had more limited access to schools and other services, and even if efforts under the NRP, with USAID support, dramatically increases access it would take a generation to overcome this legacy. The OCTA/MAG survey of land transfer program beneficiaries indicates that 44% of them are illiterate.
- d. Ex-combatants and displaced persons lived twelve years cut off from society and normal economic activity. As one interviewee commented, the only calluses on the hands of this population were those on their trigger fingers. Many are now going through the process of learning a rural lifestyle that is foreign to them.
- e. The principal economic activity in this region is agriculture and this sector is depressed and has fallen behind the more dynamic sectors of the economy (which are located outside the NRP region). The evaluators were frequently told that the cost of basic grain production exceeds the price of the imported commodity, including transportation even to markets in the countryside.⁸ In its Constitution of 1983, El Salvador adopted the principle of placing the social value of land above its economic value, but the farmers on this land now find themselves in direct competition with countries that emphasize economic efficiency in

⁸ PROESA indicated that they have documented this fact, but the evaluators did not obtain copies during their visit.

agriculture. El Salvador invested little to increase agricultural productivity during the conflict.

- f. Four years have passed since signature of the Peace Accords, and USAID support for this program will end in another 12 to 18 months. Five years is inadequate for program interventions to affect poverty levels of this entire region, even if they were capable of having this impact.
- g. Finally, institutional capacity had to be created to implement program activities in this region. The GOES was forced to abandon the region during the war and is only now establishing an effective presence in many areas. NGOs were able to substitute to some extent, as they had during the war, but their capabilities are limited, especially for the management of a massive development program over an extended period.

Conclusion

- 1. Pursuit of a fundamental shift in the relative poverty of the NRP region compared with the rest of the country was not contemplated in the Peace Accords nor in the NRP, and USAID incorrectly adopted this as a measure of program success.

Indicator 3: Elections are free and open

Year	Planned	Actual
1994	Yes	Yes
1997	Yes	N/A

Indicator 3, free and open elections, is an important indicator of democratic opening of the society, and is an appropriate indicator for the USAID democracy strategic objective and of the program interventions related to it. There are no specific interventions carried out with financing associated with the transition from war to peace strategic objective that directly relate to this indicator, and it should therefore not be included here.

3. Alternative strategic objective indicators

It is generally not feasible to reconstruct strategic objective indicators during the final stages of a program of this nature. At the same time, even if this cannot be done, it would be useful to discuss alternative indicators that might be used by other USAID Missions that confront a similar program situation, or to assist USAID/El Salvador to measure future program interventions. Luckily, in the case of democracy indicators, as discussed below, information is available for ex-combatants that is a useful indicator of relative acceptance of new democratic norms, and this information could be gathered on a broader basis within the NRP region.

a. Economic impact: There are two widely accepted approaches to the measurement of poverty: the “poverty line” approach and the “basic needs” approach. In El Salvador, the Encuesta de Hogares de Propósitos Múltiples (EHPM) has always used the poverty line approach. This approach compares household income to the cost of the “Canasta Básica Alimentaria” (CBA). Households in which the income is less than the cost of this basic basket are considered to be households in extreme poverty. Here in El Salvador, those falling into this group are labeled families in “pobreza absoluta.” Families earning less than two times the CBA are considered to be families in “pobreza relativa.”

The basic needs approach, in contrast, does not focus on the income of a family but on the family’s access to a variety of key services that are thought to measure quality of life. For example, access to potable water and electricity are two key variables often included in a basic needs approach.

Discussion has been underway for some time within the Ministerio de Planificación y Coordinación del Desarrollo Económico y Social, now the Dirección de Información del Ministerio de Relaciones Exteriores, to shift from the poverty line approach to the basic needs approach. Such a shift has not yet occurred, but a study is being prepared that will compare the two approaches and discuss their implications.

The poverty line approach is very sensitive to family income shifts, but basic needs are far less sensitive to this variable. Consider the following scenario. In a given village in El Salvador, where family incomes remain unchanged from 1994 to 1995, the government installs and makes available to all residents a potable water system in 1995. The basic needs measure of poverty for 1994 would show 0% with potable water, but for 1995 it would show 100%. The overall basic needs measure of poverty would experience a substantial rise from one year to the next, while the poverty line measure used in El Salvador would not have increased at all for that village. Over time, of course, it is assumed that the availability of uncontaminated water will increase the health of the community and that healthier people can earn higher incomes. But the impact on income may be many, many years away given that the water system’s greatest effect likely will be on the children born after the pure water system was installed.

USAID has spent a great deal of money in the 115 municipalities that represent the ex-conflictive zones. So have other donors. It is justifiable to wish to see major impacts of these expenditures, but it would be more appropriate to do so by measuring impact of this program on the basic needs of the population in the affected area.

The measurement of change in the degree to which basic needs within the NRP region are being met should be done based upon the change from a baseline measurement within that region to other points of time during and after program implementation, rather than by comparing the NRP region with the rest of the country. One would hope that the rest of the country is also progressing in its ability to meet basic needs. However, in the absence of the baseline data, it would still be interesting if a survey is carried out of the degree to which basic needs are met and to have a sample size that would allow separate analysis of the NRP region compared to the rest of the country, and of different subregions within the NRP region (for example separating municipalities that are in the mountains from those on the coast).

b. Democracy impact: The goal and purpose statements for this program focus on reintegration of the ex-combatants and related civilian population into society. Section V.C. of this report discusses several indicators that might be used to measure more effectively the degree of civic participation of the people living in the NRP region. In addition, according to a survey carried out by the Fundación Ungo in August 1994,⁹ the ex-combatants from both the ESAF and the FMLN show levels of support for democratic institutions that are similar to, though in some areas lower than, the levels for the population as a whole. Also, the levels of support are similar between the former ESAF and FMLN combatants, except for a few specific explainable variances. Even more interesting, the former ESAF and FMLN combatants show higher levels of tolerance of opposing viewpoints than does the general population. These are very significant measures of the reintegration and acceptance of the norms of today's society in El Salvador by a group of people that had been alienated from it a short time ago. This is in keeping with information gathered in focus group and key informant interviews that revealed a remarkable level of reconciliation between former combatants of the ESAF and the FMLN in the countryside.

Conclusions

1. An alternative indicator to measure achievement of the Special Strategic Objective of sowing the seeds for future growth would be to measure the change over time in the degree to which the basic needs of the inhabitants of the NRP region are being met.

4. Linkage of the intermediate results to the strategic objective

Sections IVA.-D analyzed each of the intermediate results packages and comments were made on the degree to which each contributed to the strategic objective. This section will attempt to draw together the results of each of these analyses and consider the adequacy of the combined impact on the objective.

The four intermediate results are:

- factors of production reactivated to respond to economic opportunities;
- access to basic social services and infrastructure reestablished;
- local level democratic institutions built and civic participation increased; and,
- ex-combatants reintegrated.

Several questions need to be addressed: Is it logical to assume that these four initiatives made a pivotal contribution to the objective of assisting El Salvador make the transition from war to peace? Are there unfunded initiatives that would have had an important impact on this objective? Were some of these interventions more cost effective than others? Were the institutional vehicles selected to implement this program the most appropriate ones? Finally, were there other things happening in El Salvador that may have had a greater impact on successful achievement of this objective than the initiatives directly supported by USAID?

⁹ The results of this survey had not been previously tabulated, so the MSI team contracted the appropriate individuals to do so and then analyzed the results. The results have not been previously reported, but may be obtained from the Fundación Ungo.

a. Contribution of the intermediate results on the objective

USAID's support was credited by many key individuals interviewed as having played a pivotal role in achieving the successful transition from war to peace. These individuals include high level GOES officials, leaders of the FMLN and other political parties, signatories of the Peace Accords, Congressmen and women, NGO leaders, and representatives of international organizations. It is remarkable that USAID would be thus praised by individuals from such a wide range of institutional and/or political associations, some of whom were suspicious of and antagonistic toward USAID only a short time ago.

USAID's ability to respond quickly in delivering a package of support services to combatants as they were being demobilized is seen as a critical element in the successful implementation of the accords, as is its persistence in pursuing completion of the land transfer program. USAID's openness to work with a broad range of NGOs, and its willingness to overcome administrative hurdles to do so was also praised, as it assured a degree of civic participation that would not otherwise have occurred. Finally, although the mayors in the NRP region consistently complained (partly due to the lack of information provided to them) about the fact that too few of their projects were funded, the financing of small scale infrastructure projects provided important temporary employment opportunities and a visible symbol of the effort to rebuild the damaged region.

b. Potential activities not financed that might have increased chances of success

One potential activity that was not part of the assistance package, and that was mentioned several times as an element that is missing from the transition to "peace," is the buy-back of weapons in order to lower the level of violence in the country. There is universal concern in El Salvador about the level of violent crime, and a widespread belief that the weapons left over from the war are a contributing factor to this violence. Even in isolated rural communities, which in other countries in the region would have been considered safe, there are reports of uncontrolled crime.

Secondly, support by the GOES, USAID, and other donors for "sowing the seeds of development" in the NRP region has been important but insufficient. Although increased access to training, credit and land has facilitated the transition from war to peace, at this point these interventions are not sustainable. It would be important during the remaining life of this program for USAID to undertake analyses, in a participatory manner with the GOES and with representatives of the program beneficiaries, of the critical constraint to the sustainable development of these regions and definition of a strategy for pursuing this objective on a long-term basis with the limited resources available.

Third, there has been very little investment in or attention to the creation of a sustainable infrastructure of social organizations in the NRP region. As noted earlier, the effort to provide technical assistance in organizational development to NGOs that were involved in service delivery under the program was ineffective. Many of these organizations will not be able to survive as the level of assistance to this region declines, nor were they designed to do so. However, such organizations can play a critical role in organizing self-help programs, representing the interests of the population in identifying potential external support, and maximizing the impact of the scarce resources provided. The investment of a somewhat greater level of resources focused on increasing the chances of NGO sustainability among those with a potential to provide essential services to the

region over time would have been very valuable. Such a social infrastructure is equivalent to the physical infrastructure that received greater attention, and they are integral to achievement of the program's objectives for civic participation.

Finally, as noted earlier, the long-term implications of the support promised to the war wounded and to pensions for the elderly parents and children of combatants killed during the conflict is a festering issue. The level of support promised this population may exceed the financial capacity of the Salvadoran society, which has made it difficult to reach consensus and to implement the assistance program. It is important for the GOES to seek some level of accommodation with representatives of this population around a feasible package of benefits, and then to assure that these benefits are in fact delivered. This is not to suggest that the donor community should assume responsibility for payment of such benefits, but it could provide technical assistance to help the GOES and the disabled to arrive at a solution and to assure that adequate institutional competence exists to implement it.

c. Cost effectiveness of program interventions

As described in Section IV.A, a large portion of the agricultural credit disbursed is probably not recoverable, and interviews with many sources indicated that a substantial amount of this credit was not invested but was used instead for immediate consumption needs. The ESAF ex-combatants received severance pay, but the FMLN combatants returned to society with nothing but the clothes they wore. When USAID assistance was designed, consideration was given to provision of a direct grant to each ex-combatant to facilitate reentry into society. This proposal was unacceptable both to the GOES and USAID officials in Washington. In retrospect, this would have been a far preferable solution. Such a grant could have been much smaller than the C 15,580 provided as credit, and only to cover the short-term emergency period. This would have taken the pressure off implementing institutions, pressure that had forced the too rapid design of training and credit programs. These programs could have then been better targeted toward those who would immediately benefit from them. Finally, the corruption of the credit system could have been avoided, which would have greatly facilitated the move to creation of sustainable financing mechanisms.

Secondly, the benefit packages encouraged more people to opt for land and agricultural training and credit than would have been the case if the options were more equal. During focus group interviews, it became apparent that many people opted for the farm package because this was the only way they could obtain land on which to live. Many of these people had no interest or aptitude for farming, and would have preferred to learn a trade. It is apparent that in the rush to get support activities underway, the benefit packages became too rigid to adapt to the specific needs of those being demobilized. As benefit packages are developed, concern must be given to the indirect incentives that can distort the reintegration process.

d. Were the institutional vehicles the appropriate ones

The mid-term evaluation praised the original USAID program design for emphasizing a minimal core of support to the demobilization of the ex-combatants, with the more substantial support (training, credit, land) to be provided on an individual basis through activities targeted at priority NRP locations. The same evaluation criticizes the decision to accede to the insistence by both the

FMLN and the ESAF that these institutions serve as the direct communication links and channels for access to assistance between the ex-combatants and the NRP. These comments have now been picked up in a draft analyses of reinsertion programs worldwide.

The MSI evaluators believe that it was inevitable that the FMLN and (to a lesser extent) the ESAF took this position. Assistance for the transition was required from the moment the Accords were signed, while gun barrels were still warm from war. It is unreasonable to suppose that the organizational disciplines that kept the combatants alive and in line throughout the war would be immediately set aside after 12 long years. Instead of attempting to ignore this reality, it would have been better to work with it, and to provide organizational support to assure that the communication link was used constructively rather than destructively. For example, counseling services were rejected by both sides, apparently out of fear of hidden motives that would undermine the organization. A decision to work through the existing structures early on might have reduced this level of suspicion and allowed program activities of critical importance to all other activities (such as selection of training course attendees) to go forward in an orderly manner.

One FMLN leader indicated that the insistence to channel all assistance through his organization was due to the distrust of the Secretaría de Reconstrucción Nacional, which was created as the organizational successor of a prior pacification agency opposed by the guerillas. In situations such as this, the perception of impartiality of implementing institutions is as important as the reality.

Finally, one of the reasons that the USAID efforts achieved the success that they did was due to the fact that they utilized a variety of implementation vehicles. During a period of uncertainty following the signing of the Accords, where it was unclear which institutions would have both the political credibility and managerial competence to deliver the required services, it is very important to utilize a mixture of implementation institutions (as USAID/ES did), assuring that a broad venue exists to determine which are most effective. In situations requiring conflict resolution skills, in selecting implementation vehicles donors such as USAID should avoid (if possible) limiting themselves *a priori* to the government, the insurgents, PVO/NGO interest groups, or any other clients that may be less than impartial in their objectives.

e. Impact of other factors on the success of the Peace Accords

It is frankly difficult to understand how the peace process so successfully took root in El Salvador. As one high level GOES official stated, “When I signed the Peace Accords, I never imagined that we would achieve what we have as of this date.” The obstacles to peace were so great: the chaotic environment of its implementation, the mutual suspicion and distrust, and the infinite number of issues, large and small, to be resolved, that one can paint hundreds of scenarios of how the process could have been aborted. The overriding impression is that both sides were so war-weary, and had become so convinced of the futility of further fighting, that they were fundamentally committed to making peace work. This does not belittle the critical importance of USAID’s assistance in assuring that a number of the destabilizing scenarios did not develop, but there must be caution in applying the lessons of USAID’s assistance in this successful transition to other situations where the commitment to peace may be more tenuous.

The focus of this evaluation on USAID's activities underplays the leading role of the United Nations representatives and agencies, as well as those of other donors, which were at least equally important in achieving the result.

Finally, the GOES macroeconomic program created an environment of economic growth which absorbed some of the demobilized labor, and also generated tax revenues needed by the GOES to cover the shortfall in donor assistance. On the other hand, the rapid economic growth since the Accords were signed has had little impact on macro-level poverty or employment figures, and will be difficult to maintain.

Conclusions

1. The USAID assistance is widely viewed as having been critical to the successful implementation of the Peace Accords and the demobilization and reinsertion of the ex-combatants.
2. The investment in sowing the seeds of future growth has been impressive but is still insufficient. The resolution of the deep seated poverty in the NRP region will require substantial and sustained investment over a number of years.
3. Greater investment in development of the infrastructure of social organizations in the NRP region would have helped sow the seeds for long-term development.
4. A more cost effective approach to implementing the Special Strategic Objective would have been to provide each ex-combatant (in addition to land access) with a demobilization stipend, linked with attendance to a general demobilization and reinsertion orientation program, and to have extended credit and training programs more gradually based on technically sound selection criteria.

F. USAID AND SRN ADMINISTRATION AND MANAGEMENT PROCEDURES

Findings

The size and complexity of the National Reconstruction Program presented an immense administrative challenge to both USAID and the GOES. However, the Program's administrative requirements were similar to USAID programs that had been successfully managed in El Salvador through the Technical Secretariat for External Financing (SETEFE), and by the SRN's predecessor agency, CONARA. The familiarity with and acceptance of the procedures used in managing disbursement of substantial resources in the past enabled the rapid start up of this program in a manner that might not be possible in another country lacking this history.

The evaluators reviewed the financial planning and control procedures used internally by USAID. It was clear that the Mission has effective procedures in place to manage the assignment of resources and to periodically review expenditure rates and redirect funds that are not being utilized toward priority activities. The evaluators also reviewed the concurrent monitoring reports prepared by Price Waterhouse on the NRP and the Land Bank Land Transfer Process, in English and Spanish, and

found these to be very appropriate management tools to prevent or assure timely detection of internal control and funds management deficiencies that could plague a program of this nature and size. The close monitoring by Price Waterhouse of the procedures for farm purchases and of individual transactions carried out by the Land Bank were particularly effective in preventing misuse of funds. Several implementing agencies and other donor agencies commented on the effectiveness of USAID's procedures in assuring the appropriate use of its funds

USAID support for the National Reconstruction Program was primarily from the Peace and National Recovery Project (#519-0394), but funding also was provided through a number of other USAID projects. This assistance involved in some manner all of the Mission's technical offices, which created a need for effective inter-office coordination, especially since the implementation imperative and short-term focus of the NRP differed from those of the rest of the Mission's portfolio. This created an environment where internal tension between offices would be normal, and there are indications that there are some unresolved concerns between offices about the program's technical direction and focus. The Strategic Objective Team management structure recently put in place by the Mission has the potential for addressing these issues as they arise.

The relations between the USAID Mission and the GOES implementing entities, particularly the SRN, the President's Comisionado for the implementation of the Peace Accords, the Banco de Tierras, and the Banco de Fomento, are all excellent, as are the Mission's relationships with the vast array of NGOs and political entities involved with program implementation. Mission staff were praised by FMLN representatives for their commitment to visit activities outside San Salvador to understand the reality of the program issues and achievements, and as the evaluators visited a cross section of field activities there were frequent comments by program beneficiaries about inspection visits by USAID staff.

The SRN management of program resources was done through use of transparent procedures that closely complement those of the Mission and of SETEFE. The annual Marco Estrategico document is useful in clearly identifying program priorities and strategies and communicating these to all actors. Action plan agreements are signed between the SRN and each implementing agency receiving resources under the program, and these documents clearly identify the SRN's expectations for use of the resources and results anticipated. For credit programs, these action plans incorporate the SRN guidance on terms and lending procedures, and the review of the credit program did not uncover an example of non-compliance with these procedures.

Several documents we reviewed commented on implementation delays experienced during the first years of the program, but there are no longer indications that this is a problem. The continuing uncertainty about USAID budget levels has created uncertainty and inefficiency in program management, particularly affecting the Municipalities in Action program (MEA). The initial size of the MEA program caused USAID and the SRN to promote the program with mayors throughout the NRP region, and many projects were undertaken during the first years of the program. When the total funding level for this activity had to be dramatically reduced, the apportionment of resources between municipalities had to be changed, leaving a number of mayors with the political problem of unmet expectations in their communities. The flow of information about the nature of the MEA budget problems has been inadequate, and many mayors do not realize as of this date why funding was reduced. They tend to blame political manipulation of resources in the absence of adequate

information, and it would greatly improve the program's image if more timely information could be disseminated on anticipated funding levels for the program's activities. In fact, the program's objective of building confidence in the democratic process can be undermined by this issue.

Many of the indicators for the program require disaggregated reporting by gender, but these requirements are minimal and there is little sign that the resulting information is used in program management. The recent decision to make gender information optional in semi-annual reporting is a further sign that this information is considered peripheral rather than of importance for program management. The evaluators were informed by the BFA that after a recent change in the Bank's management a decision was made to cease to maintain gender-specific information in portfolio reports, although the number of new borrowers each semester is reported on a gender desegregated basis to meet existing USAID reporting requirements. The European Economic Community's managers of the Usulután II project under the NRP commented on the importance of gender distinctions in the management of credit resources under their project, noting that the very high repayment rates by FMLN women's groups was one of the more successful elements of their program. As loan volume and repayment information is not reported on a gender desegregated basis by any of the USAID assisted entities, it is not possible to make a similar analysis for the NRP. The USAID Evaluation Summary report prepared after the mid-term evaluation identified as a specific pending action the development of a plan of action to assure that the project address gender concerns. After asking a number of USAID staff, the evaluators were not able to identify if the Mission has a Women in Development officer at this time, and there is no indication that this specific recommendation was carried out.

Finally, substantial resources were expended to carry out surveys and census to measure impact of the National Reconstruction Program. As has been noted in earlier sections, the evaluators encountered flaws in design of several of the surveys which greatly limits their utility. The failure of CID/GALLUP to keep the data sets from the first four surveys so that these would be available for subsequent analysis is a serious shortcoming. USAID should have required submission of diskettes with raw data for all surveys funded, and then maintained these data sets in a safe place. All survey designs should have contemplated inclusion of control groups of non-beneficiaries, and the gathering of baseline data at the start of each program intervention. An exception to this criticism is the Agricultural and Livestock census conducted by the Ministry of Agriculture, which provided invaluable information on the impact of the land transfer program.

Conclusions

1. The USAID assistance provided for the implementation of El Salvador's Peace Accords was well managed. Both the Mission and the GOES had experience with management of large resources directed at multiple goals, which greatly facilitated program start up. This would have been much more difficult for an emergency program in a location lacking this prior experience.
2. Relationships between the USAID staff and counterparts are excellent, and the USAID Mission is very familiar with program activities in the field.

3. As the Special Strategic Objective is completed over the next twelve to eighteen months, continuing responsibility for implementation of specific activities will be transferred to other management units. Attention will need to be given to adaptation of these activities to differing management styles and technical approaches, so as to minimize confusion between USAID and the implementing agencies.
4. The uncertainties about budget levels over the past several years has had a negative impact on MEA program implementation, and greater attention to timely communication to all program participants about the nature of these uncertainties and their potential impact would have reduced rather than increased tensions.
5. The USAID Mission has given minimal attention to gender concerns in designing and monitoring this assistance, and on analyzing the differential impact of the program on women.
6. Technical flaws in the design and management of surveys intended to record program impact (some of which were only recently carried out) greatly reduce the utility of this investment.

Recommendations

1. USAID management attention should be focused on the transfer of program activities, to assure a smooth transition between offices as the SSO comes to a close.
2. USAID should re-establish the requirement for gender disaggregated reporting on its programs in its Semi-Annual Reports, and should take steps to ensure that the particular needs of both genders are taken into account by project designers and implementers.
3. USAID should continue to pressure CID/GALLUP offices in Costa Rica to locate the data sets from the first four surveys financed by the Mission, and require submission of these data sets. Once received the Mission should undertake a cross survey analysis of the impact of the status of ex-combatants in comparison with the rest of the population over this extended period, and should then store the data sets so that they will be available for future analysis.

Chapter V -- RECOMMENDATIONS FOR FUTURE USAID ASSISTANCE

USAID/El Salvador has just completed preparation of a new long-term strategy, and the evaluators have not had an opportunity to review this document. Decisions concerning future USAID programs always involve complex trade-offs between competing objectives, and are constrained by budget allocations restricted to certain types of activities and recently by a substantial reduction in total resources available. The following recommendations for program priorities, based on needs identified during the evaluation, are made at the Mission's request, but the evaluators are not in a position to comment on the relative merits of these suggestions in comparison to other USAID priorities.

A. ANALYSIS OF SECOND GENERATION ISSUES RESULTING FROM THE PEACE PROCESS

The original title of this section was to be "Analysis of remaining issues impeding the consolidation of the peace process." However, the Government of El Salvador has officially declared that the implementation of the Peace Accords has been completed, and although the FMLN may argue about the degree of completion of certain specific agreements, they too seem eager to close this chapter and move on to broader issues. The evaluators concur that the terms of the Accords have been substantially met, although several specific legislative actions related to reform of the judicial sector and the electoral process (subjects not covered in the terms of reference of this evaluation but still relevant to the Accords) are apparently still pending. Even acknowledging the substantial completion of the Accords, there are still a number of important issues that demand attention. As these issues relate closely to the areas where USAID has actively provided assistance in the past, the Mission is in an excellent position to provide further support. In the future, however, USAID's support may be managed at a sectoral level rather than as a separate emergency program.

The detailed evaluation results outlined in the previous section identify a number of important issues and opportunities. The most relevant of these are the following:

1. Economic activity in the NRP region, and in fact in much of rural El Salvador, is very tenuous. Although the accelerating removal of tariffs will lower the cost of imported fertilizers and other agro-chemicals, and thus make exports more competitive, domestic grain productivity in El Salvador is very low, and the ex-combatants who are subsistence corn and bean will have difficulty surviving unless they can become more efficient. Expansion of off-farm employment in rural areas is presently hindered by inadequate infrastructure and the perception among investors of insecurity and low productivity.
2. The proindeviso titles issued to land transfer recipients are now a major impediment to increased investment on these properties. Until the conversion to individual ownership has been completed, production will be minimal and incomes of the beneficiaries will stagnate. However, it is unclear who is to pay for the significant costs to be incurred in the issuance of these titles.
3. Although local infrastructure throughout the region has been improved, significant further investment is needed, and a prioritized investment plan does not exist.

4. Municipal governments in many areas have demonstrated increased responsiveness to citizen needs, and exciting new approaches are being tested in a number of areas, such as more open municipal decision making, formation of multi-sector (and multi-party) planning commissions, promotion of Department-wide development plans, etc. However, capacity for planning, project design, and implementation at the municipal level remains extremely weak.
5. Access to social services in the region has also improved, but many of the services are provided by empirical practitioners, without Ministerial recognition and resources.
6. Many services provided in the NRP region are provided by NGOs, as official government services are still expanding to meet this need. Many of these NGOs are heavily dependent on declining external financial support and managerial assistance, however, and have not progressed very far in strengthening their own structures.
7. The status of the war wounded and survivors of deceased veterans remains one of the inadequately addressed issues related to the Accords.

B. RECOMMENDED STRATEGIC FOCUS FOR FUTURE ASSISTANCE

Section C below will identify specific program recommendations for use of funds that are pending obligation to the USAID Peace and National Recovery Project (519-0394), and for new program activities during the coming years related to the themes covered by this evaluation. Although still substantial for a country the size of El Salvador, the level of USAID funding will be small when compared with the resource transfer levels of the past decade. The Mission will be forced to narrow the range of its focus, and find ways to complement its investments with those of other donors. In some cases, the viability of USAID investments will depend on clarification of GOES plans and expectations.

Some of the program activities suggested for future consideration by the Mission either require or would benefit from a nationwide or NRP-wide focus, while others can more effectively be implemented if focused on a smaller area (a specific Department or set of municipalities). One message communicated by virtually every actor involved in the effort to implement the Peace Accords is that future assistance within the NRP region should be available to all residents and not a special group, such as the ex-combatants. As an ex-combatant in the Canton Las Minas, Chalatenango, stated: “As long as our neighbors are poor we cannot progress. Who will buy our produce?”

With reduced funding levels, USAID will be able to maximize impact by selecting a few priority regions and focusing a wide range of assistance programs on them. This should not be carried to the extreme experienced in the Integrated Rural Development projects supported by USAID, the IDB, and the IBRD in the 1970s, where autonomous implementing agencies were created exclusively for the regions selected. Instead, USAID should continue to work through existing GOES and NGO agencies, as appropriate, to focus support without debilitating national institutions. This approach will benefit from increased access to local NGOs active in the many areas of the NRP region.

The criteria to be used to select the geographic areas in which to focus assistance (and the weight to be given to each element) should be carefully thought out, and defined through an extended process of consultation. Among the factors that should be considered are:

1. Economic potential: Until employment and income generation can be stimulated in rural El Salvador, the region will remain a drag on the rest of the economy. Unless the investment has a reasonable chance of stimulating growth, it will fail to address this issue.
2. Integrated local planning and popular participation: Those areas where municipalities and local NGOs have demonstrated genuine, grass-roots commitment to the progress of the region, and a willingness to contribute time, effort, and resources to this objective, have a “social potential” which adds to and complements the economic potential described above. Several municipalities visited are developing coherent development plans with participation of a broad spectrum of interest groups, thus increasing the probability that USAID assistance will address priority needs and be complemented by local counterpart resources. In contrast, some regions have demonstrated an expectation that the government or outside donors will continue to resolve all local issues, and this attitude is unsustainable.
3. Poverty: As long as the first two criteria are satisfied, USAID should seek the areas with the greatest demonstrated need. The extreme poverty that is concentrated in particular areas of rural El Salvador, as described in section IV.A, is contributing to societal disintegration and to a wide range of social and political problems.
4. Potential for integrated activities: The interrelationship of sectoral development processes has long been recognized. In order for new, higher value crops to be feasible, roads may need to be improved. In order for roads to be improved, municipal governance and civic participation may need to be stimulated. In order for new businesses to prosper, better schools may be required. And so on. If USAID is to be successful in undertaking an area specific, coordinated development effort, it will need to evaluate separately the feasibility of investment in each of the chosen sectors.
5. Logistics: As USAID staff and operating expense resources decline, it will need to select an accessible region (not a major constraint in small El Salvador), and assure that security issues are met (a somewhat more relevant constraint).

C. PROGRAM RECOMMENDATIONS FOR USAID ASSISTANCE

The following program recommendations are important follow-on investments to the successful support for the transition from war to peace:

1. **Nationwide or NRP-wide initiatives:**
 - a. Parcelization of the proindeviso properties transferred during implementation of the Peace Accords. The need to legally divide and register the majority of the land transferred is a clear priority. Before such an activity can be formalized, however, a political decision must be reached concerning who should pay for this process. Those whose names are on the

proindevisio titles already have such high debt levels that adding another layer is not realistic, and credit discipline has been seriously undermined in rural El Salvador. It may be necessary to agree that the proindevisio title was an artifact required to meet the Peace Accord implementation commitments, but as it was not a permanent solution, the government (with donor assistance) will need to cover the cost of replacing these titles with individual titles. Until this issue has been resolved, investment in and production on the land resources transferred to the ex-combatants will be minimal. Provision of individual titles will not assure increased production for all, but it is an essential first step.

- b. Equivalency training for empirical teachers and medical workers: On-going USAID programs provide assistance to achieve equivalency and licensing requirements for the “maestros populares” and “promotores de salud” that provided education and health services to the civilian population in the NRP zone during the conflict. These programs should be continued to completion so as not to lose these valuable resources.

2. Projects that could be nation or NRP-wide, or could focus on priority local areas

- a. Development of rural financial services: As noted above, credit discipline no longer exists in rural El Salvador, and too many credit programs have ended with excessive rates of delinquency. At the same time, lack of access to capital remains a serious constraint to development of this region. Several small programs through NGOs that insist on strict credit guidelines and commercial interest rates show increased potential for success, and the Mission should help these organizations to build on their successful experience and gradually expand their programs. A parallel concern should be given to savings mobilization. The existence of liquidity in the region resulting from the remittances, and the concern frequently voiced about crime in rural areas, should encourage well designed savings mobilization programs.
- b. Export diversification programs: The opening up of the Salvadoran economy should make exports more competitive, as the cost of inputs declines. Several export promotion activities have been successfully implemented, such as the development of organic coffee production and marketing channels by CLUSA. These activities should also be gradually expanded in order to increase sustainable incomes. Diversification of production for local markets could be a safe activity as a transition to exports.

3. Activities focused on priority municipalities or sub-Departmental initiatives

- a. Community infrastructure: As noted earlier in this report, there is a substantial remaining deficit of local infrastructure rehabilitation or construction which needs to be met in order to remove constraints to increased economic activity. Existing implementation mechanisms have proven effective, although a reevaluation of how priorities are set for utilization of these resources is in order. Such assistance could easily be incorporated into a program to assist priority development areas, particularly in response to local level planning and priority setting initiatives.

- b. Municipal development: A variety of exciting activities are underway in a number of municipalities visited, to broaden participation in local planning and priority setting, and new legislative initiatives are being discussed that would further increase the potential to work through these institutions. USAID may wish to undertake a more comprehensive assistance program in pilot municipalities to help provide training and develop systems that will be required to carry out effectively the decentralization of public services. This will be particularly useful immediately following the Spring 1997 municipal elections. Training should focus on coordination mechanisms between municipal government and local NGOs, and on participatory methods of local governance and conflict resolution. USAID may also want to encourage adoption of some form of proportional representation at the municipal level (realistically not until after the Spring 1997 municipal elections).

4. Other, small-scale initiatives

In addition to the major program initiatives described above, there are a number of smaller program recommendations or suggestions of specific studies that would help the USAID Mission to direct its program:

- a. Recommendations were made in this evaluation (Annex H) for modifications to the Daniel Carr survey instrument. With the modifications, it would be important to complete the planned series of surveys.
- b. USAID should continue efforts to obtain data bases from the first four CID/GALLUP surveys and carry out cross-survey analyses once the data have been obtained.
- c. Promote the creation of a common data base of all borrowers from the various credit programs carried out under Project 0394 and related programs, in order to begin to create a mechanism to check credit histories before loans are granted.
- d. A study needs to be carried out of the current activities and capabilities of the many NGOs that exist in El Salvador, as described in greater depth in section IV.C.
- e. Support should be provided to the MIPLAN group (now in the Foreign Ministry) to implement on a trial basis a basic needs-defined rural household survey.
- f. An analysis should be carried out of the constraints to growth of the agricultural sector in El Salvador, and of the policy modifications and program interventions that could improve the sector's competitiveness and sustainability.
- g. All grants provided to local NGOs should be done on a competitive basis and include organizational development assistance as needed.
- h. Support donor community attention to the dilemma confronted by the GOES with respect to the unmet needs of the war disabled and survivors.

- I. Support an analysis of the impact of post-war stress syndrome on the Salvadoran population, and resources that may be available to ameliorate its impact.
- j. Some communities are awaiting resolution of issues impeding the settlement of the “asentamientos humanos,” which are groups seeking urban or quasi urban land outside the context of the process created to transfer agricultural land. The GOES is working to resolve this issue and the Mission only needs to monitor it to see if any assistance is needed and could be realistically provided.

D. PRIORITIZATION OF PROGRAM ACTIVITIES

USAID/El Salvador has requested apportionment of the final \$17 million to complete the \$191 million the U.S. Government had promised to assist with implementation of the Peace Accords. Whether it will be feasible to obtain the resources given the Agency’s budget crisis and the conflicting demand from other priority programs is unclear.

As noted earlier, without access to the broader Mission strategy document, the evaluation team is not aware of the funding and staff constraints that impinge on program decisions, and it is not realistic to provide detailed recommendations of program priorities between these various categories. In general terms, if additional 0394 resources are available the team believes that priority should be given to completing infrastructure projects, and continuing assistance with export diversification. On-going assistance to provide equivalency training to empirical teachers and health workers should also continue.

In the longer term, priority should be given if resources are available with individual land titling and registry. Other priority activities would be municipal and local NGO development, export diversification assistance, development of rural financial services, and construction of community infrastructure.

Chapter VI -- LESSONS LEARNED

A. CONDITIONS SUI GENERIS

The identification of lessons from the National Reconstruction Program (NRP) in El Salvador as the country succeeded in making the transition from war to peace must begin with an understanding of the unique conditions that existed when the program began.

There were a number of important factors in El Salvador that facilitated the transition from war to peace, which may or may not apply in other countries. These were key in shaping the environment within which USAID's support for the NRP initiative has been successful.

1. The accumulated experience of USAID/El Salvador in carrying out large projects in a variety of substantive areas made it much easier to undertake the program quickly; the Mission already knew the country and had established effective administrative mechanisms.
2. The 12-year duration of the war, which had resulted in extreme fatigue and war-weariness on both sides of the conflict, had sapped the will to continue the armed conflict; troops from both the FMLN and the Armed Forces were simply tired out and ready to call it quits.
3. The U.N. had agreed to monitor compliance with the Peace Accords, and had established ONUSAL as a permanent, on-site facility for on-going mediation and oversight as the process went forward.
4. Opposition guerrilla forces were well organized within a single command-and-control structure which extended even to many civilian supporters; there was no need to deal with numerous, fragmented opponents, and demobilization was achieved in an orderly fashion.
5. A mechanism was already in place for the transfer of resources to the local level for the replacement of infrastructure destroyed or damaged during the war; the Municipalities In Action (MEA) program, which had been supported by USAID since 1987, became a mechanism for such transfers, while also opening up the system to citizen participation in the identification of community needs.
6. The human resource base included an array of competent local professionals needed for program design and implementation, as well as a number of local NGOs with experience in the zones most affected by the conflict.
7. The enormous out migration of Salvadorans fleeing the conflict to the U.S., Europe and other countries had resulted in massive inflows of "remesas" or financial support to relatives and loved ones back home; this phenomenon provided a financial cushion for the population living in ex-conflictive areas, making economic survival possible for many poor rural families.

Finally, it is important to note that due in great part to the confluence of these and other factors, during the period of cease fire and demobilization, not a single shot was fired, nor were there any armed incidents between the two former warring parties.

B. LESSONS FROM THE FIRST THREE YEARS

In October 1994, USAID/El Salvador published a paper titled, The First Three Years of the Peace and National Recovery Project (519-0394): Lessons Learned. The paper contains a discussion of 17 lessons based on USAID/El Salvador's experience in the design and implementation of a "post-civil war project." Those lessons were offered for consideration by other USAIDs or donors dealing with war-to-peace efforts in other parts of the world.

The MSI evaluation team has carefully studied those lessons gleaned from 1992 through 1994 and, based on our own recent experience, we find them to be as valid now as they were then. Therefore, rather than duplicating that effort, we will recap those lessons as a basis for a subsequent discussion of lessons we believe to be of particular importance as project 519-0394 comes to an end.

1. USAID management and staff should receive special training by an expert in conflict resolution/consensus building prior to design and/or implementation of the project.
2. The USAID's project itself should contain activities and/or processes for promoting reconciliation and consensus.
3. Representatives of beneficiaries should participate to the maximum extent feasible in the design and implementation of programs designed for their benefit.
4. There will be pressures to respond to every need, in a very large universe of needs. Clear recognition of organizational limits must govern this process.
5. A USAID must have access to resources for at least humanitarian activities almost immediately after the cessation of hostilities.
6. Adding funds to existing projects which can add components to meet requirements and/or utilizing available HCOLC can be very effective ways to assure a fast start-up of implementation.
7. The USAID should maintain maximum implementation flexibility.
8. The USAID should adopt an organizational structure that will be effective in the management and implementation of a multi sectoral project.
9. If there is unusual interest in the US - the Congress, special interest groups, the State Department USAID/Washington - in the USAID's peace and recovery project, then a sophisticated project data base, management information system and related staff may be needed to respond - quickly and without undue disruption to implementation - to a continuing and large number of inquiries about the project.

10. An assumption should not be made that because an institution has worked well with USAID in a previous project that it will work well initially - or at all - in a different type of project.
11. War-wounded assistance normally will be a requirement.
12. Many ex-combatants will have no immediate source of income. Either the host government or a donor(s) will have to make provisions to support the ex-combatants, e.g., while they are in training, until the first harvest or for a set period.
13. If a project is designed without consideration of the special needs of women, they may not be able to benefit equitably from the project. Peace and national recovery projects are not an exception to this rule.
14. There may be a need for new sector strategies for areas in which the USAID has not worked or for modifications of existing strategies to fit the needs of the Peace and National Recovery project.
15. The structure and timing of assistance in the agricultural sector are critical to avoiding problems with the crop cycle.
16. NGOs probably will be a desirable and necessary resource for participatory project design and implementation.
17. Local coordination with other donors is extremely important.

C. NEW LESSONS

While the continuing validity of above lessons from 1994 is clear, experience over the last two years has provided additional emphasis and a number of new insights. We therefore offer the following enhanced and new lessons:

1. Post-crisis reconstruction activities should not be confused with sustainable development programming; while they may sow the seeds for social and economic recovery, they should not be expected to accomplish development-related results.
2. Factors such as the duration of the conflict, the structures created by the opposing sides, and the overall political climate should be taken into account when designing demobilization and reintegration strategies. Once demobilized, it is not always prudent to treat ex-combatant needs within the general context of the communities to which they return, without providing special assistance.
3. Indicators should be developed for tracking the different stages of the post-war peace process as it moves from crisis to demobilization, reintegration, reconciliation and, finally, to the beginning of the long-term development phase.

4. At the start of post-crisis activities, there is a need for clear definition, accepted by all, of the following:
 - demobilization objectives and procedures;
 - the meaning of "reintegration" or "reinsertion" - for whom, where, to what degree, and how will we know;
 - obligations to the war-disabled and to the dependent survivors of those killed in action;
 - the baseline/starting point data to be used for all facets of the activity;
 - the time horizon for all phases of the activity;
 - resource levels, both human and fiscal;
 - implementation channels;
 - criteria for success.
5. Mechanisms should be created as quickly as possible to ensure the participation of representatives of all parties (ultimate and intermediate customers, as well as partners and stakeholders) in the design, execution and monitoring of all phases of the activity, using participatory methodologies for this purpose.
6. To replace or repair infrastructure damaged during the conflict, there is a need for flexible mechanisms to transfer resources to local governments in a manner that promotes citizen participation in the identification and resolution of the most-felt community-based needs.
7. Priority infrastructure activities should include: a) those that are most critical for economic recovery, and b) those that are congruent with local development planning and have priority local support.
8. Support for the re-establishment of social services, such as rural roads, water and health systems, is key to reintegrating ex-combatants and those displaced by the war.
9. Credit programs should not be used for resource transfers to destitute ex-combatants and others affected by the conflict. If such transfers are needed they should be provided as grants in order to maintain the integrity of the credit system.
10. Training programs should be based on market demand for skills and the interests of participants. Assumptions based on gender should be avoided.
11. If group titles are used for land transfers, the process for breaking them up should be clarified at the outset.
12. In the rush to replace physical infrastructure, the importance of creating or replacing social/organizational infrastructure should not be underestimated if improvements are to be sustainable.
13. To ensure the sustainability of the activities undertaken, project design should include the organizational development of the local agencies, especially private sector organizations, that

participate as project implementors and customers (unless it is clear that the existence of a specific organization is not crucial once the crisis stage ends). US PVOs should be required to strengthen the local NGOs through which they work if the objective is to have these organizations continue to function in the future.

14. Careful attention should be given to the types of incentives inherent in different approaches. Positive incentives for citizen participation at all levels should be incorporated into the activity. Such incentives should be designed to help educate citizens about both their rights and responsibilities, in order to avoid a continuing assistentialist syndrome.
15. Since the number of female heads of household generally increases dramatically as a result of civil conflict, especially where there are female ex-combatants, special provisions should be made for meeting the special needs of those women and children, and data should be gathered on a regular basis to track progress.
16. Help should be provided for the clear, realistic definition of obligations to war-wounded and the dependent survivors of those killed in action. This issue has a high potential for arousing public sympathy and for disturbing the peace process if not addressed in a transparent, realistic and timely manner.

LIST OF ANNEXES

ANNEX A	Specific questions to be answered by the evaluation
ANNEX B	Scope of work, methodology, and team composition
ANNEX C	Persons contacted
ANNEX D	Documents consulted
ANNEX E	Summary of conclusions and recommendations
ANNEX F	Special strategic objective (SSO) framework
ANNEX G	USAID Financial contributions to NRP
ANNEX H	Comments on Carr & Associates' impact survey
ANNEX I	Creative Associates analysis of reintegration of ex-combatants: The impact of USAID interventions
ANNEX J	MEA-NRP & Special project funds invested in all NRP municipalities to December 31, 1995
ANNEX K	Las Actitudes Politicas de los Desmovilizados: Encuesta y analysis por FundaUngo
ANNEX L	Attendance by canton at cabildos abiertos

ANNEX A

Specific Questions to be Answered by the Evaluation

As specified in the Scope of Work, this annex provides answers to the specific questions contained in Appendix 1 of the SOW. Since a complete discussion of all points raised is included in the main body of the report, the following are summary answers to the questions posed.

1.1 FACTORS OF PRODUCTION REACTIVATED TO RESPOND TO ECONOMIC OPPORTUNITIES

CORRELATION BETWEEN TRAINING AND BENEFICIARY IMPROVEMENT

What purpose did the training serve the beneficiaries?

Many beneficiaries commented that the training was too sophisticated for their level of preparation. The high rate of illiteracy among the beneficiaries impeded them from taking full advantage of the courses, and conflicting requirements during the demobilization process, such as visiting prospective farm sites and attending meetings to arrange title transfer, interfered with the courses given. Those individuals trained as masons commented favorably on the contribution this made to their ability to build their own houses, but it was not apparent that they were able to use the skill to earn an income in their communities.

A number of beneficiaries interviewed, as well as institutional representatives, commented that the stipend paid to ex-combatants while enrolled in training was an essential source of sustenance during this period, and that the training allowed them a period of transition from military to civilian life. This is undoubtedly an exceedingly important contribution of the program, and should not be underestimated. This outcome could probably have been achieved at lower cost, however, through provision of a demobilization grant and transition orientation program, with more technical training offered later when recipient needs, capabilities and interests could be more clearly identified..

To what extent has the training contributed to improve the income levels of the beneficiaries?

The Creative Associates survey designed to determine the impact of the various interventions on degree of reinsertion contained a variety of measures within a “reinsertion index.” The evaluators disaggregated the index factor related to perceived change of income, and then measured the impact of each of the principal reinsertion related interventions, including vocational training, on this indicator. We should note that perceptions of changes in income over time are very subjective and not as useful as before and after measurements.

A higher percentage of those who had received vocational training indicated improved income than did those who did not receive training. However, the difference between those who had received training and those who had not, while statistically significant, is not very large. The CID/Gallup survey indicates that only about 20-25% of those who received training are now working in the area for which they were trained, apparently due primarily to lack of employment opportunities in the

NRP region. It does not appear that the impact of the training programs on income was very significant.

To what extent has the training contributed to the feeling of well-being of the beneficiaries? More adapted? Reintegrated?

The analysis of the Creative Associates data indicates a slightly positive, statistically significant correlation between training and perception of reintegration for former FMLN and ESAF combatants. Attendance at a training program allowed ex-combatants a readjustment period and payment of a monthly training stipend, and this allowed more gradual reinsertion than would have been the case otherwise. For some, the training also provided the skills necessary for employment, although for many this is not yet the case.

Have the beneficiaries found jobs after training? Is there a connection between the training and the jobs obtained?

Only about 25% of the total number trained are actually working in the area for which trained. This appears to be due primarily to the fact that the new employment opportunities anticipated when the training programs were designed have not materialized, although the training in some cases was also presented at a too sophisticated level for the poorly educated trainees.

CORRELATION BETWEEN CREDIT AND BENEFICIARY IMPROVEMENT

Has the access to credit been timely and sufficient? Critically review the credit institutions' capacity to deliver the credit to the beneficiaries in a timely manner.

Although there were some complaints about agricultural credit arriving after planting season or at other times during the year when it could not be productively used, in general it appears that credit delivery was both timely and sufficient, and that the credit institutions had the institutional capacity to do so.

During field interviews, complaints were made that loans from the Banco de Fomento Agropecuario were sometimes disbursed too late in the production cycle to be used, but it was unclear whether this was due to delays in land transfer, delays in loan application, or delays in application processing and disbursement. There was no consistency to the complaints, and if anything this may be an indication that the GOES, through the BFA, was so eager to comply with the Peace Accords provisions concerning timely credit, that it authorized disbursements at inappropriate times during the crop cycle, rather than holding off until the next agricultural year.

In relationship to the question above: assess the credit institutions' capacity to provide technical assistance with respect to the appropriate management/administration of the credit. Also assess the quality of credit supervision of the credit institutions: Has it been timely? Adequate? Has it contributed to the best use of the credit?

The quality of credit management/administration has varied among institutions, and generally the non-governmental institutions were more effective at managing credit. The disbursement of loans

made by the Banco de Fomento Agropecuario (BFA) were to be against receipts or against field agent certification of progress made during the planting/growing season. However, there are widespread allegations of use of credit by the recipients for non-investment purposes, and the average loan size appears to be larger than the amount that could be effectively utilized given the circumstances of the borrowers and their newly acquired land. As of April 1996, the BFA had not established delinquency monitoring procedures for its \$ 323 million portfolio, which was managed by the BFA under a trust account arrangement. It is not clear why the BFA has adopted this relaxed management approach, but based on conversations in the Bank it may be that the expectations of loan recovery are so low (given the borrower's attitudes, climatic conditions, and other factors identified in the body of the report), that tight program management may be unproductive.

Of the NGOs visited, only CARE used measures appropriate to track delinquency and assess the implications for soundness of the total portfolio. In the field, focus groups and individual interviewees reported that CARE, CORDES, REDES, and CLUSA/PROESA did an effective job of supervising the credit provided. Adequate credit planning and supervision contribute directly to its proper use and subsequent recoverability.

To what extent have the guidelines/instructions for the provision of credit issued by the SRN been clear and precise? Are there uniform criteria applicable to institutions providing credit?

The guidelines/instructions for the provision of credit issued by the SRN are clear and precise, and many of the criteria are uniform as applied to the various institutions. However, the loan terms applied to each institution varied considerably, as did loan criteria applied at different time periods to the same institution. Although the evaluators did not receive any specific complaints about the inconsistency of credit guidelines, they believe that this increased program management complexity and introduced bias in investment decisions.

What are the inter-relationships between credit and training and/or technical assistance that were critical in the NRP? How can these linkages be improved?

Credit was to have been provided only to individuals who had attended a training program. However, less than a quarter of the ex-combatants are working in the fields for which trained, and yet massive amounts of credit have been disbursed. It would appear, therefore, that the relationship between credit and training and technical assistance is inadequate. Several of the NGOs are offering more integrated assistance, and these should be favored in future credit programs, and the other organizations should be encouraged to adopt more stringent procedures.

The principal source of this problem was probably the crisis atmosphere of the early program design and implementation period, and the need to disburse large amounts of credit rapidly. Smaller programs and those that were initiated after this crisis period had greater ability to integrate credit and training.

1.2 ACCESS TO BASIC SOCIAL SERVICES AND INFRASTRUCTURE REESTABLISHED

What is the perception of our customers/beneficiaries with respect to the rehabilitation of basic infrastructure services?

The perception of those customers/beneficiaries who live in communities where the rehabilitation of basic infrastructure services has occurred is highly positive. A great number of the beneficiaries interviewed during the course of this evaluation were highly laudatory with regard to USAID and the assistance the Agency has provided. In fact, evaluators were asked to transmit their deep appreciation for the support received.

For communities with unmet infrastructure needs, there was a sense of frustration combined with eagerness to see those needs met - among local officials, as well as within the population. Clearly, infrastructure rehabilitation is a high priority among community members. Various efforts to have citizens prioritize the most felt needs have yielded similar results. The number one priority is clearly roads and bridges.

From 1992 through 1995, through the MEA program a total of 2,614 projects have been completed, excluding road construction. Most projects involved road repair (1,506), followed by educational facilities (458), electrical projects (333), health posts (113), potable water systems (92), community buildings (56) and other related projects (56).

The survey conducted in connection with the 1994 MEA evaluation found that "approximately 40% of those surveyed think that rural needs are being addressed in the same proportion as urban needs... The majority of those surveyed think that the program is satisfying some - but not all - their basic infrastructure needs."

ACCESS TO ROADS AND POTABLE WATER

In what ways have beneficiary conditions improved ref access to farm-to-market roads and/or potable water in the NRP zones?

As noted, the majority of MEA projects have been dedicated to the repair of farm-to-market roads (1,506), while 92 have involved potable water systems. Other water/sanitation projects have been carried out under separate USAID funding arrangements by such organizations as CARE, Project Concern International and CREA.

Access to transitable roads and community water systems has been, and continues to be, a high priority among citizens in the NRP area. Evaluators heard numerous anecdotes about how much time or effort had been saved, and the quality of life enhanced, once such improvements had been made. Specifically, focus groups and key informants reported that one of the greatest improvements in their lives had been the time saved by not having to walk so far to fetch water. This was particularly true of female community members, who generally are responsible for securing the family's water supply. Few references were made to latrine projects, which appear to require

significant community education if unsanitary habits are to be changed. Interviewees also mentioned the reduced time needed to travel to market centers, thanks to road rehabilitation.

In what ways has the above been reflected in an improvement in the general well-being and overall levels of income of those living in "poverty" and "extreme poverty" in the NRP zone compared to the rest of the country?

Levels of poverty and extreme poverty in the NRP region remain high in relation to the rest of the country, and given the poorer lands, historically lower levels of public and private investment, and extreme poverty and low level of skills of those returning to this zone, it is not reasonable to expect a significant change in poverty levels in the NRP region as compared to the rest of the country in so short a time. The substantial investment in repairing and improving infrastructure in the NRP region has greatly improved access to markets and integration of these areas back into the country as a whole, and it provided important short-term employment opportunities. Over time this investment can be expected to improve incomes, but for now its impact has been limited to an improvement in the “general well-being.” Surveys of basic needs satisfaction would more accurately identify the degree of this impact than do poverty studies.

ACCESS TO HEALTH POSTS

In what ways has the delivery of health services by the Ministry of Health and Social Assistance been improved/strengthened for those living in the areas covered by activities within the SSO? What has been the impact of improved infrastructure in the health sector under the MEA program in the NRP?

The investment in improved health service infrastructure has been timely and substantial, and the NRP region now has a level of clinics per municipality roughly equivalent to the rest of the country, although it should be noted that, country-wide, the coverage is less than adequate. In many sites visited the health service providers were empirically trained health promoters who had provided these services to the population throughout the conflict. Many of these promoters demonstrate a good basic knowledge of community health issues and are providing a valuable service, but they are unable to obtain medical supplies and basic medicines due to the fact that they are not certified by the Ministry of Health (MOH). The Ministry is sponsoring a program to provide equivalency training in order for these technicians to be certified and integrated into the Ministry health system. This program should be encouraged and accelerated.

1.3 LOCAL LEVEL DEMOCRATIC INSTITUTIONS BUILT AND CIVIC PARTICIPATION INCREASED

What is the correlation between participation in national and local elections, open town meetings, NGOs, etc. and the fostering of democratic principles at the municipal and local levels?

The literature shows that citizen participation in activities such as those mentioned tends to foster democratic principles at the municipal and local levels. However, it is also clear that if citizens come to feel that their input makes no difference in terms of decisions made or results achieved, and that

they are merely being used by local leaders as a democracy "front," then the energy generated through active participation may be turned back on the system, at worst, or simply dissolve into apathy, at best.

A study by two members of the evaluation team (Seligson and Córdova Macías) of political culture and local government in El Salvador for the period from 1991 to 1995 showed clearly that it is not the quantity, but rather the quality of citizen participation that fosters democratic principles. Specifically, it was found that neither attendance at municipal sessions nor the fulfillment of demands were related to indicators of adoption of democratic norms. Rather, it was the evaluation by citizens of municipal services, and of the treatment they received from local authorities, that correlated directly with support for the system and interpersonal trust. As stated in the study report, "Unless citizens feel that they are well treated by local governments, no amount of participation will increase their support for the [democratic] system."

How has the focus on using NGOs as executing institutions facilitated the implementation of the NRP? Improved access to programs/services?

As shown in previous studies and validated here, the use of NGOs as executing institutions greatly facilitated the implementation of the NRP, and was essential for providing access to program services by the target population, a large percentage of which is located in remote, formerly war-torn areas.

Of particular significance was that the exclusion of certain NGOs (for reasons discussed fully in section V.C. of this report) was overcome through negotiation, which opened the door to participation by a broader array of NGOs with experience in NRP areas and a high level of trust among those populations.

1.4 EX-COMBATANTS REINTEGRATED

Has reintegration of ex-combatants taken place? If so, to what extent? How has the NRP impacted the reintegration of ex-combatants?

In answering this question, it should be noted that the design of the NRP did not include a clear definition of what is meant by "reintegration" or "reinsertion," which are interpreted in a variety of ways. Four such interpretations hold that these words: 1) apply only to ex-combatants from the FMLN; 2) apply to ex-combatants from both sides of the conflict; 3) apply to FMLN ex-combatants and their civilian supporters, plus the entire population of displaced persons; and 4) do not apply at all, since ex-combatants were never "integrated" or "inserted" in the first place. The two common elements of the definitions offered by interviewees were that reintegration or reinsertion relates to: a) civilian life, and b) productive life.

Therefore, on evaluating the extent of reintegration, we are alluding to the insertion of the demobilized into civilian and productive life. Based on the evidence at hand, the evaluation team considers that ex-combatant reintegration or reinsertion into local communities has, in fact, been achieved. However, this does not imply any great economic success. That is, it is possible for programs designed for ex-combatants to be successful, but that those who are reintegrated into

civilian and productive life are just as poor and frustrated as the rest of the inhabitants of those communities.

The NRP may be considered successful in terms of dealing with demobilization, both during the period of concentration of military forces, as well as during the contingency stage. In a word, this program is largely responsible for the level of reintegration that has been achieved.

However, the design of reintegration programs has not taken into account the differences between women and men, particularly the needs of female heads of household. It is therefore clear that women have been less integrated and have greater problems with relation to productive activities.

Finally, it should be noted that war-wounded ex-combatants from both sides are the only group that has considered it necessary to break the peace to demand attention to their needs as they pursue reintegration into civilian and productive life.

ADMINISTRATIVE/MANAGEMENT CAPABILITY

How effective were the administrative procedures utilized for the approval of the Action Plans and reprogramming?

The procedures established for approval of Action Plans and reprogramming of resources between activities have been effective in assuring that projects were approved in a timely manner and that adequate guidance was provided to institutions responsible for project implementation. An endeavor as complex and time-sensitive as the National Reconstruction Program, with a wide variety of activities executed by a myriad of implementing institutions, requires administrative procedures that will assure that project proposal approvals are efficiently carried out. The SRN established clear guidelines for activities to be carried out by implementing institutions, and formally defined the program expectations and restrictions in Action Plans that were negotiated with the implementers. The SRN and USAID also demonstrated appropriate flexibility in moving resources between activities based on implementation experience and changing program conditions and priorities.

To what extent are USAID's customers (GOES, NGOs, beneficiaries) satisfied with the quality of the services received by the beneficiaries?

USAID's assistance to the implementation of the Peace Accords was praised by a wide variety of political leaders, government officials, NGO representatives, and local beneficiaries. Interviewees commented that USAID had demonstrated an unusual degree of flexibility in adjusting program plans to actual conditions, and willingness to make special efforts to meet beneficiary needs. While specific "services" received by the program were sometimes late in arriving (credit), inappropriate to recipient needs or capability (training), or insufficient to meet the enormous demand (infrastructure), program participants generally praised the assistance as key to the successful implementation of the Peace Accords.

Are there reliable financial and progress monitoring systems in place within the SRN and AID to effectively manage the NRP? Do Action Plans include baseline data?

The financial and progress monitoring systems are generally effective as management tools. The Price Waterhouse concurrent monitoring of program implementation is an effective control technique that should be utilized in similar programs. However, the progress monitoring procedures established to assure quality of infrastructure construction should be improved, as site visits are not frequent enough to assure that construction projects meet design specifications.

OTHER SPECIFIC QUESTIONS

Have there been any Program spin-offs, i.e. objectives not specifically sought, but achieved, for better or worse?

The program objectives focused on implementation of the Peace Accords, sowing the seeds for future growth, reintegration of ex-combatants, and reactivation of the formerly conflictive zones. The initial statement of the program goal also mentioned “furthering national reconciliation,” but this clause was dropped from later goal statements. The program directly contributed, however, to the surprising level of reconciliation found among program beneficiaries. Although tension existed between ex-combatants early in the program, during the visits to 29 municipalities within the formerly conflictive areas the evaluators did not find a single person who indicated continuing antagonism toward those who fought for the other side. This can be largely attributed to the eagerness of both sides to end the conflict, and the opening of political space since the end of the conflict for the free expression of political beliefs and concerns, which has created a more effective outlet for tensions. However, the fact that the ex-combatants received timely assistance, and the communities received attention to their most critical infrastructure and social service constraints greatly facilitated the creation of an environment for reconciliation.

As noted in the text, the debt overhang, combined with the lack of clearly identified individual land holdings due to the use of proindeviso land titles, now represent serious constraints to investment and productive use of the land transferred to ex-combatants and tenedores. These are negative outcomes that will need to be addressed before long-term development can ensue.

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ANNEX E

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

IV.A. Factors of production reactivated to respond to economic opportunities

1. Indicator 1: Men and women trained under NRP

Conclusions

1. In a short period of time a massive amount of training has been provided to the ex-combatants and tenedores in compliance with the Peace Accords.
2. The training courses provided were designed based upon expectations about the evolution of the reconstruction projects and planned economic activities of the NRP region, but these expectations turned out to be unrealistic.
3. Few of the trainees are now working in the areas for which they were trained, and off-farm employment opportunities are minimal.

Recommendations

1. Given the chaotic conditions characteristic of a demobilization, it would be better and less expensive to provide a demobilization stipend or other form of payment that is not tied to attendance at a technically focused training program. The design of training activities could then be carried out with more time and greater knowledge of trainee needs and desires, as well as a more realistic assessment of skills demanded by the economy. It would still be useful, however, to provide those being demobilized with general orientation programs to assist them with reentry issues.
2. It is essential that trainees be consulted directly about their interests before being assigned to a training program, and if this is not possible the training program should be postponed.
3. Considerable flexibility is required in the implementation of training courses, to assure that they are appropriate to the needs and abilities of the trainees who actually attend.

2. Indicator 2: Clients receiving credit

Conclusions

1. The variance between performance of the BFA credit program on the one hand, and NGO and EEC programs on the other, is principally due to the difference between extensive and intensive approaches to credit delivery. The BFA was tasked with the political objective of delivering relatively large loans, in a pre-established amount that appears rarely based on individual farmer need, to a large number of inexperienced borrowers in order to achieve their demobilization.

2. The 1994 mid-term evaluation criticized some of the NGO loan activities for providing loan amounts that were too small to allow borrowers to undertake anything but subsistence agriculture, and praised the BFA program for providing loans that could lift the borrowers out of poverty. It is now apparent that the NGO approach of providing loans in amounts that the borrowers could effectively manage has been a more effective approach to integrating them into the financial system.
3. The more intensive, integrated-service approach used by the NGOs and the EEC, and the effort to work through local level cooperatives and associations, while more costly initially, provides greater assurance that loan resources will be used productively and repaid, and offers much greater long-term development potential. It would not have been possible to design and execute this intensive approach during the early stage of the peace process, however, and this approach would have failed to meet the political imperative of providing a demobilization incentive.
4. The total accumulated debt of the ex-combatants exceeds their repayment capability. This is now a divisive issue, with the FMLN political party arguing for total forgiveness, and the governing ARENA party resisting. As the grace period for these loans is now expiring, growing indices of delinquency can be anticipated, and this will cut the former combatants off from access to additional credit resources. This will also result in reduced production (to be discussed in IV.A.4. below), and will surely have significant political ramifications (alienation of the ex-combatants and potential violence).
5. The failure of the BFA and many of the NGOs to maintain adequate gender disaggregated statistics on the lending activity (other than number of borrowers by gender as required by USAID) undercuts efforts to determine whether female borrowers are discriminated against or need any distinct forms of assistance. USAID does receive, in keeping with the definition of the result indicator, gender disaggregated data on the total number of loan beneficiaries (30% of whom are female), but there is no apparent effort to date to use this information for program management and as of 9/30/95 it is no longer included in semi-annual project reporting.
6. Unfavorable weather has had a significant, negative impact on loan repayment, with droughts in 1993 and 1994, and excessive rains late in the 1995 growing season that caused substantial yield losses for crops not yet harvested.
7. The political nature of the land transfer process in the NRP region, the extreme poverty and inexperience with farming and other productive activities of the borrowers, and the widespread belief that ex-combatants were owed a payment for their years of service to one side or the other of the conflict, seriously undermined the credibility of the credit programs. It would have been better (and less costly) to have negotiated a small grant for resettlement for each of the ex-combatants, thus insulating the credit program from these demands. Getting these individuals to recognize repayment obligations in future programs will now be much more difficult.

8. It is highly indicative that the indicator for this intermediate result is defined in terms of number of loans granted, emphasizing the political need to provide a large number of people with credit very quickly. A more appropriate measure of “reactivation of the factors of production” would have been the total amount of loans (capital) disbursed and recovered, or the number of stable channels for loan activity (and possibly even for savings mobilization) created or consolidated. However, as the Peace Accords merely required timely access to credit, the existing results indicator may be appropriate.

Recommendations

1. USAID should undertake with the GOES (and possibly with the UNDP) an in-depth analysis of repayment potential of the credit beneficiaries under the NRP, and jointly identify policy options to address the apparent insolvency of this sector.
2. All institutions managing credit resources under the NRP should be required to report quarterly on delinquency and portfolio exposure rates in order to assure on-going monitoring of this issue. Credit institutions should also be required to report statistics on number of borrowers, amounts of loans, and delinquency on a sex disaggregated basis.
3. If new credit programs are undertaken, or additional funding is provided through existing channels, priority should be given to those that have a longer-term development focus, integrating credit with other services and working through local cooperatives and associations. Those credit channels that closely link to savings mobilization should also be strengthened so as to begin to form a true capital base to assure sustainable growth.
4. Any new credit activities should focus on the broader community of potential producers, not on the ex-combatants and tenedores.
5. Any massive credit program should contemplate construction of a common data base of borrowers that could be shared among the various participating institutions to eliminate potential for duplicate loans to the same borrower from different institutions.

3. Indicator 3: Beneficiaries (percent) with increased income after receiving both training and credit

Conclusions

1. Surveys of ex-combatants and tenedores indicate positive increases in income among those who have received training and credit, but the data are not adequate to quantify the degree of benefit.
2. It is too early in the process of resettlement of the zones most affected by the conflict to expect significant increases in income (i.e. sufficient income to raise the ex-combatants family above the poverty level on a sustainable basis).

3. Focus group discussions indicate that economic activity has been rekindled in the formerly conflictive zones, and the seeds of future growth have been sown. For these seeds to flourish, however, additional investment over an extended period will be required. Future investment should be targeted on all residents of the zones, rather than on specific groups such as ex-combatants, if they are to have the desired impact.

Recommendations

1. USAID/ES should request Daniel Carr and Associates to conduct an immediate control group survey to provide a basis of comparison for the survey recently conducted. The recommendations included in Annex H should be incorporated into future surveys.
2. USAID/ES and other donors should assist the Government of El Salvador to develop an integrated policy for promoting long-term growth of the former conflictive regions. As will be discussed in section V.C., the most effective building blocks for this effort would be municipal development plans, micro-regional plans, or sub-Departmental plans that involve active contributions from the many local actors that have become involved in representing the interests of and delivering services to the people of the region.
3. Given the conditions found in the NRP region and the destitute status and lack of basic farming or commerce skills of the target group, generation of income is not possible from investments in credit and training during the time frame of this program. The Peace Accords merely required timely access to these services, and it would be more appropriate for USAID simply to use the two earlier results indicators that measure quantity of services provided in relation to the size of the target population, rather than assume responsibility for increased incomes.

4. Indicator 4: Land Bank clients (percent) with land in production

Conclusions

1. Sixty percent of the land bank assisted land transfer recipients who received their land in 1994 or earlier had land in production in 1995, and an additional 4% were working on other properties.
2. Approximately 78% of the land units transferred to NRP beneficiaries in 1994 were in production in 1995. It is unclear what this measures, however, as these units could either be only marginally used or they could be used intensively.
3. Sixty-two percent of the arable land is in production, but there is evidence that this is principally being used for subsistence level basic grain production on small plots. Half of the land that is classified as in use is in unimproved pasture.
4. More than half (54%) of the farm units included in the 1995 census were not in production, and two fifths (39%) of the program beneficiaries are not living or working on their land. This is due in large part to the fact that more than half of the farms had only been titled a few

months before the census was conducted. However, other evidence suggests that a significant portion of the land has been left unused, and this percentage remains fairly constant irrespective of when the land was titled.

5. Although it was probably the only option available to implement the land transfer program in a timely manner, the existence of proindiviso titles now represents a major constraint to converting these lands to productive use.
6. In adopting this result indicator, the Mission implicitly concluded that it is not enough to just provide the land to the beneficiaries to meet the overall goal of sowing the seeds for future growth, but that it was also important that some portion of these land units be placed in production. It is not clear how many units would need to be in production to meet the objective, or if it makes any difference what sort of productive activity is undertaken. The evaluation team would argue that given that the actual development of these parcels is beyond the scope of this program, the most critical indicator is the actual transfer of land, which meets the terms of the Peace Accords. This indicator will be fully met within a few months.

Recommendations

1. The annual census carried out by OCTA/MAG is an invaluable tool to measure the impact of the land transfer program. USAID should consider continuing support for this activity after the existing program ends.
2. There is a need for donor assistance with the granting of individual titles to replace the proindiviso titles. This will be a very complex task and to complete it may require specific legislative measures and a time frame beyond that normally undertaken by donors. Given the importance of this issue, however, the evaluators strongly recommend that the donor community consider such assistance.

IVB. Access to basic social services and infrastructure reestablished

1. Indicator 1: NRP population served by MEA infrastructure projects (%)

Conclusions

1. Because of the way the database is set up, the beneficiary population is over-reported.
2. On reviewing the funds invested in each of the 115 NRP municipalities, evaluators conclude that the formula used to distribute MEA funds shows that: 1) allocations are almost identical for each municipality; 2) differences in allocations relate to the demographic criterion used; 3) no consideration is given to the relative poverty of the municipalities when allocations are calculated; and 4) no effort has been made to place more funds in the areas most affected by the war.

3. As the NRP comes to a close, and after all the investment made, it is not possible to know with certainty what portion of the infrastructure damaged during the armed conflict has been replaced. However, based on interviews and field work, evaluators conclude that in general a good part of the damaged infrastructure has in fact been replaced, and the percentage certainly exceeds USAID's target.
4. The effectiveness of the MEA program is related to the participation of the community in the identification of the work to be carried out within their municipality.

No recommendations

2. Indicator 2: Roads improved which required rehabilitation in the NRP (% of km of road)

Conclusions

1. In general terms, the specifications used follow the usual practices established by various government institutions.
2. For larger projects, the SRN process for evaluating bids would be inadequate, given the non-technical composition of the adjudication committee and the fact that there are no pre-qualified companies.
3. The number of visits to job sites, especially for projects of some importance, is insufficient to be able to provide adequate monitoring and, above all, to give corrective instructions on time.
4. The evaluation of projects indicates that funds were invested effectively. In some places, we were informed that the access roads were either very bad or intransitable, a situation that worsens in the rainy season. All roads inspected were still being used, despite the date of their having been opened or improved. Older projects are the ones that present the highest degree of deterioration, particularly with respect to packed-earth surfaces.

Recommendation

1. USAID should urge that the requirements for contractors carrying out road projects include the training of community members in adequate maintenance practices.

3. Indicator 3: Health facilities assisted and functioning

Conclusions

1. The investment in repair or construction of health facilities and schools in the NRP has been an important program to reintegrate this population into society.

2. A need still exists for many additional schools and health facilities in the NRP region, but the level of access to these social services in the NRP region is probably now nearly equivalent to that of the rest of rural El Salvador.
3. The maestros populares and empirical health practitioners are providing invaluable assistance to their communities, usually with only minimal if any payment.

Recommendations

1. Efforts to integrate the health workers and teachers, who are providing informal health services and education in the NRP region, into the mainstream of service providers of the Ministries of Health and Education, should be strengthened. Provision of these critical social services by the Government of El Salvador is very important to the reintegration of these communities into the society as a whole.

IV.C Local level democratic institutions built and civic participation increased

1. Nature and adequacy of the indicators

Recommendation

1. USAID should revise the OVIs for this intermediate result for activities initiated during the final phase of the SSO to include: a) the number of NGOs, ADESCOs and other community groups participating in NRP activities; b) the cantons and communities in which they work; c) the number of individuals (by gender) who are members of or who participate in those organizations; and d) the number of ultimate customers (by gender) served by each.

2. Decentralization policy, municipal government/NGO relations

Conclusions

1. To date, NRP activities aimed at strengthening local institutions and increasing civic participation have run largely on two separate tracks, one directed at municipal government and the other aimed at NGOs and community groups. Initiatives designed to foster the on-going coordination of public and private sector efforts at the local level have been largely overlooked by project 0394. This lack of coordination retards efforts to move from scattered individual project activities, most of which involve local infrastructure, to integrated development planning. It also mitigates against the capacity of municipalities to handle effectively the increased responsibilities that are to be transferred to them if and when the announced decentralization of government authority actually occurs. USAID indicates that several such coordination activities have been initiated since late 1995.
2. Clearly, the high level of reconciliation that exists among ex-combatants, tenedores, repatriated citizens and other community members helps to foster overall civic participation. Though they work together to identify needs and propose projects aimed at resolving community problems, they receive little positive reinforcement.

Recommendations

1. USAID/SRN should give high priority to stimulating and funding efforts aimed at creating and testing model mechanisms for achieving coordination between municipal governments and NGOs at the local level.
2. USAID should engage with GOES policy makers as soon as possible on the broad issues of decentralization and municipal organization and planning, in order to develop proposals for implementation after the 1997 elections.
3. **Indicator 1: Open Town Meetings held; and, Indicator 2: Percent of cantons participating in MEA Program Town Meetings**

Conclusions

1. Current approaches to building democratic local institutions and increasing civic participation tend to emphasize citizens rights, without promoting an understanding of their responsibilities. This nourishes the assistentialist mode which has marked the emergency phase of the NRP, whereby citizens rely on others to meet their needs. While some activities incorporate citizen participation as counterpart labor (ayuda mutua), this occurs only within the context of a given project. The concept of accountability, particularly as related to budgeting and the use of funds is not yet well understood either by community members or by their elected officials.
2. MEA budget allocations and procedures are cause for great confusion and uncertainty among municipal officials and citizens alike. The dissemination of clear information on the current status of MEA allocations is sorely needed.
3. Allegations that the SRN has discriminated in the allocation of MEA projects against municipalities with FMLN mayors elected in 1994 were investigated in depth, and there is no evidence that this is the case. Instead, early in the MEA program these municipalities tended to receive greater attention, and as total program resources were reduced funding was not available to provide additional assistance while also providing the equivalent assistance to other municipalities not previously assisted.
4. There is also a need to revise the design of the town meeting process, incorporating methodologies for the participation of both community members and local government officials in prioritizing needs and choosing the projects for which funding is to be requested. Such an approach would not only help build more democratic local government and increase civic participation, but would also generate a greater awareness among citizens of the hard fiscal realities that must be faced in moving from an assistentialist mode for meeting community needs to one based on the principles of self-reliance and sustainable development.
5. To support such a new, more participatory cabildo abierto format, training will be needed for key actors in both the public and private sector. This would include the development of

skills in such areas as participatory methodologies for project design, implementation and monitoring; group facilitation and consensus-building; alternative dispute resolution and conflict management; strategic planning; the concept of accountability; and so forth. The January 1994 evaluation of USAID's NRP also recommended training for new mayors in such areas as "ways to promote reconciliation and the building of community spirit," and "conflict resolution and consensus-building techniques."

6. The results of the pilot projects and innovative experiments in citizen participation now underway could be captured and shared with key public and private entities throughout the NRP area.
7. Current information points to the government's intention to institutionalize the MEA program. However, careful monitoring and appropriate interventions by USAID, COMURES, ISDEM and other interested organizations will be needed to ensure that the program is, in fact, sustained.
8. Although the MEA approval and implementation processes have been quicker than some other similar programs, the lack of clarity regarding project criteria and bureaucratic procedures, combined with long delays in funding and executing those projects that are selected, weaken confidence in both local and national government and reduce the desire to participate in the system or to help strengthen it.

Recommendations

1. USAID should urge the responsible institutions to incorporate participatory methodologies in the agenda of town meetings so that they are not limited to the presentation of needs, but include community input in prioritizing and decision making, thus creating new positive incentives for civic participation.
2. USAID should support training for local public officials and key community leaders in the implementation of the new participatory methodologies to be used during open town meetings. This should be done in cooperation with COMURES and appropriate NGOs or NGO networks.
3. In collaboration with other donors, USAID should coordinate the documentation of lessons learned from current experiments in alternative approaches to citizen participation, sponsoring a series of events aimed at sharing results with key public and private leaders after the 1997 elections, and providing technical assistance to newly-elected NRP mayors.
4. Together with appropriate specialists and donors, USAID should explore and promote the creation and strengthening of a private sector cadre of Salvadoran organization development specialists to ensure the availability of training and technical assistance to municipal governments and community organizations in support of participatory development planning at the local level, regardless of the party in power.

5. USAID should play an active role in monitoring plans for the institutionalization of the MEA program, providing whatever information, technical assistance or other support that may be needed by SRN, COMURES or ISDEM to ensure the successful outcome of this historic transfer of responsibility.
6. USAID should channel a significant portion of remaining MEA funds to those 20 to 30 municipalities that are slated to develop in-depth planning processes with the active participation of citizens residing in those jurisdictions.
7. USAID should support the publication of a simple, clearly-written manual or similar material suitable for popular consumption which lays out existing sources and ground rules for community-based project funding under project 0394 and future USAID projects. This should be given to participating NGOs and municipal governments for distribution to communal associations.

4. Indicator 4: NGOs participating in reconstruction activities

Conclusions

1. As has already been shown in various studies and evaluations, the use of NGOs as executing institutions greatly facilitated the implementation of the NRP, and was essential for providing access to program services by the target population, a large percentage of which is located in remote, war-torn areas.
2. The design, execution and monitoring of the early phases of NRP project activities would have been considerably strengthened by the participation of local NGOs in those tasks from the outset. In addition, this would have avoided much of the early controversy that surrounded their role as purveyors of pre-determined, "cookie-cutter" activities handed down from San Salvador. However, given the lack of trust on both sides and the general political environment following the war, a full-fledged participatory process may not have been feasible.
3. NGO/customer satisfaction with project 0394, which is reported to have been exceedingly low in the initial stages (1992-1993), has improved considerably over time, especially in the last two years. Credit for this goes largely to USAID and its insistence that a broader array of NGOs be included in project activities, as well as its ongoing negotiations with the SRN to resolve other NGO-related issues. A number of NGO representatives from across the political spectrum expressed appreciation for USAID's support of their efforts and respect for the Agency's role in opening the program up to a broader group of NGOs, sentiments which did not always extend to the SRN.
4. USAID's attempt to promote the formation of an NGO federation was premature and unfortunate. Because of the way this was handled (i.e., sending a letter to 50 NGOs without broad prior consultation or exploration), the effort resulted in concern among NGOs and confusion as to the Mission's agenda vis-a-vis the NGO community.

5. No comprehensive profile over time of the organizational health and felt needs of the 136 NGOs that have participated in the NRP is available. Therefore, for most there is no baseline against which to measure institutional strengthening efforts or to design and execute appropriate interventions.
6. The organizational strengthening of participating NGOs remains a largely unfulfilled mission of the NRP. Efforts aimed at pursuing that mission have been exceedingly limited. The single project funded specifically for that purpose, PACT/PRODEPAS, was not successfully implemented. It did not meet the felt needs of many target organizations, nor did it provide the follow-on services that a number of them had requested. Proven, modern principles of organization development were not incorporated into that activity.

Recommendations

1. To provide an organizational baseline, USAID should invest in research on the current status of Salvadoran NGOs and the potential for future collaboration within the NGO community, stressing their structure, membership strength, beneficiary demographics, and the areas in which they feel they need training, technical assistance or other organization development support, as well as options for self-sustainability (including mergers as resources become increasingly scarce).
2. In selecting local NGOs for participation in any SSO activity, USAID should ensure that transparent and competitive processes and procedures are employed, similar to those used for PROSAMI, rather than relying on the submission by NGOs of unsolicited proposals.
3. USAID should support the provision of organization development assistance to the NGOs participating in this project, including those dealing with the war-wounded, in order to increase the likelihood that those institutions and the activities they carry out will be sustained over time.
4. USAID's criteria for the selection of U.S. PVOs for participation in this project should include their capacity and willingness to transfer key skills or proven participatory methodologies to local NGOs and to strengthen them as development organizations.

IV.D. Ex-combatants reintegrated

1. Reinsertion of Ex-Combatants

Conclusions

1. The design of the NRP did not include a clear definition of what is meant by reinsertion or reintegration. Reinsertion goals and scope should be clearly defined at the outset of the process.
2. The NRP may be considered successful in terms of dealing with demobilization, both during the period of concentration of military forces, as well as during the contingency stage.

3. Political logic has justified the investment made in attention to the ex-combatants to ensure the political stability necessary for executing the commitments included in the Peace Accords.
4. Due to the lack of clarity of the term, on evaluating the level of reinsertion we are alluding to the insertion of the demobilized into civilian and productive life. From various angles, the evaluation team considers that ex-combatant reinsertion or insertion into local communities has been achieved.
5. Nevertheless, to say that the demobilized have been reinserted or inserted in productive life does not imply any great economic success. As pointed out above, it is possible for programs designed for ex-combatants to be successful and to have their incomes raised over the levels they had immediately following the war, but that those who are reinserted into civilian and productive life are just as poor and frustrated as the rest of the inhabitants of those communities.
6. From the point of view of political attitudes, as compared with other citizens, the demobilized demonstrate higher levels of tolerance and lower levels of support for the system of government.
7. Reinsertion is not a term reserved for ex-combatants from the FMLN and the Armed Forces. Rather, to be successful it should also apply to tenedores and the displaced.
8. The design of reinsertion programs has not taken into account the differences between women and men, particularly the needs of female heads of household, and therefore at the end of the process it is clear that women have been less inserted and have greater problems with relation to productive activities (this is based on interview information and studies prepared by Fundación 16 de Enero with PACT funding).

2. Indicator 2: Ex-combatants (men and women) receiving rehabilitation services

Conclusions

1. The government has been extremely slow in taking action to fulfill its commitment to the war-wounded as envisioned in the Peace Accords, having acted only when pressure was brought to bear by disabled troops from both sides of the conflict. This is undoubtedly one of the longest-delayed commitments in the Accords.
2. Given the magnitude of the full package of benefits stipulated in the Law (which has not yet been officially calculated), and the state of the Salvadoran economy, it will be very difficult for the government to fulfill its legal responsibilities to the war-wounded and to the relatives of those killed in action in the foreseeable future.
3. Disabled veterans, who represent approximately one-quarter of the ex-combatant population, are the only group of citizens who have felt it necessary to disturb the peace in order to demand attention to their war-related needs.

4. To date, only one element of the benefits promised to the war-wounded and their families under the Law has been implemented. That is, so far only pensions to the disabled ex-combatants themselves have been provided. Pensions for orphans and elderly parents, as well as other sections of the Law, are yet to be implemented. Medical and rehabilitation assistance has been provided mainly through USAID funded projects.
5. The Fund established under the Law (the equivalent of the U.S. Veterans Administration), needs training and technical assistance to help coordinate health care and other benefits among all providers and to ensure that its mandate may be pursued as effectively and efficiently as possible over the long term. While some technical assistance is being provided by the European Community through PROLIS, USAID is not working with the Fund.
6. USAID's current activities addressing the war-wounded do not address the organizational development of the institutions with which it is working. This diminishes the probability that those activities and implementors will be sustainable over time.

Recommendation

1. USAID should review its policy regarding collaboration with the government's Fund for the Protection of the Disabled, seeking to coordinate training and technical assistance with other cooperators in order to support the development and consolidation of this institution as the official entity responsible for services to the war-wounded from all sides.

IV.E. Analysis of USAID's special strategic objective framework

1. The strategic goal and purpose

Conclusion

1. The focus of the Special Strategic Objective was on demobilization and reinsertion of the ex-combatants, and laying the groundwork for the longer term development of the NRP region and its inhabitants, rather than on actually achieving this development.

2. Strategic objective indicators

Conclusion

1. Pursuit of a fundamental shift in the relative poverty of the NRP region compared with the rest of the country was not contemplated in the Peace Accords nor in the NRP, and USAID incorrectly adopted this as a measure of program success.

3. Alternative strategic objective indicators

Conclusions

1. An alternative indicator to measure achievement of the Special Strategic Objective of sowing the seeds for future growth would be to measure the change over time in the degree to which the basic needs of the inhabitants of the NRP region are being met.

4. Linkage of the intermediate results to the strategic objective

Conclusions

1. The USAID assistance is widely viewed as having been critical to the successful implementation of the Peace Accords and the demobilization and reinsertion of the ex-combatants.
2. The investment in sowing the seeds of future growth has been impressive but is still insufficient. The resolution of the deep seated poverty in the NRP region will require substantial and sustained investment over a number of years.
3. Greater investment in development of the infrastructure of social organizations in the NRP region would have helped sow the seeds for long-term development.
4. A more cost effective approach to implementing the Special Strategic Objective would have been to provide each ex-combatant (in addition to land access) with a demobilization stipend, linked with attendance to a general demobilization and reinsertion orientation program, and to have extended credit and training programs more gradually based on technically sound selection criteria.

IV.F. USAID and SRN administration and management procedures

Conclusions

1. The USAID assistance provided for the implementation of El Salvador's Peace Accords was well managed. Both the Mission and the GOES had experience with management of large resources directed at multiple goals, which greatly facilitated program start up. This would have been much more difficult for an emergency program in a location lacking this prior experience.
2. Relationships between the USAID staff and counterparts are excellent, and the USAID Mission is very familiar with program activities in the field.
3. As the Special Strategic Objective is completed over the next twelve to eighteen months, continuing responsibility for implementation of specific activities will be transferred to other management units. Attention will need to be given to adaptation of these activities to differing management styles and technical approaches, so as to minimize confusion between USAID and the implementing agencies.
4. The uncertainties about budget levels over the past several years has had a negative impact on MEA program implementation, and greater attention to timely communication to all

program participants about the nature of these uncertainties and their potential impact would have reduced rather than increased tensions.

5. The USAID Mission has given minimal attention to gender concerns in designing and monitoring this assistance, and on analyzing the differential impact of the program on women.
6. Technical flaws in the design and management of surveys intended to record program impact (some of which were only recently carried out) greatly reduce the utility of this investment).

Recommendations

1. USAID management attention should be focused on the transfer of program activities, to assure a smooth transition between offices as the SSO comes to a close.
2. USAID should re-establish the requirement for gender disaggregated reporting on its programs in its Semi-Annual Reports, and should take steps to ensure that the particular needs of both genders are taken into account by project designers and implementers.
3. USAID should continue to pressure CID/GALLUP offices in Costa Rica to locate the data sets from the first four surveys financed by the Mission, and require submission of these data sets. Once received the Mission should undertake a cross survey analysis of the impact of the status of ex-combatants in comparison with the rest of the population over this extended period, and should then store the data sets so that they will be available for future analysis.

ANNEX I

Reintegration of Ex-Combatants: The Impact of USAID Interventions

In February, 1996, Creative Associates International, Inc. presented a report to USAID El Salvador and the National Reconstruction Secretariat. The report was based on an analysis of a survey 1,008 respondents, of whom 352 were ex-combatants of the FMLN, 412 were former ESAF members, 94 were members of the national police. All of these individuals had received assistance from the various demobilization programs. A control group was selected that presumably included an additional 75 non-combatants and 75 veterans of the war who did not receive benefits. As shall be shown below, these control groups do not really serve as controls.

The study included a very well designed questionnaire and a comprehensive analysis of the results of over 100 pages in length (including appendixes). The study found a number of positive impact of the reinsertion programs; overall, most beneficiaries found that their lives had improved in a variety of ways.

These findings are important, but to be of greater utility to USAID, they need to be desegregated. The Creative Associates study used an overall index of reinsertion in which a wide variety of potential benefits of the programs were included. The study found that (p. IV.2), “the number of benefits has little influence on reinsertion.” This raises an important question: if more benefits do not increase the success of reinsertion, then perhaps a slimmer, less costly program could be devised. In that case, USAID needs to know which of the several interventions seemed most successful. Furthermore, since the reinsertion index was not broken down into its constituent parts, USAID does not yet know in what areas the most significant changes occurred in the ex-combatants lives.

This reanalysis of the CREA data set by the MSI team begins with an examination of the reinsertion index used by CREA. As discussed on pages 7.6-7.9, the index was comprised of 23 separate variables. The CREA report then justifies the overall scale by examining the distribution of the cases, and the normality of the plots. What is not examined is the dimensionality of the variables that comprise the index. When that is done using the standard technique of factor analysis,¹⁰ a procedure that searches for dimensions of commonality among a set of variables, four distinct dimensions emerge. The first of these is defined by the items that measure the perception by the respondent that his/her family economic situation has improved since the war ended. The second is defined by a series of items related to community participation in civil society organizations. The third is defined by actual family income and the fourth by variables related to friendship and family ties. This fourth set of variables forms a very weak factor (i.e., it has an eigenvalue barely above 1.0), and for that reason will not be utilized further in this report.

Each of these three dimensions is, of course, a relevant component for measuring reinsertion. But what if some have improved while others have deteriorated or remained the same? The overall

¹⁰ Technically speaking, a principal components solution was used, with a varimax rotation. Missing data were deleted pairwise.

index could show improvement, but only because the improvement happened in some areas, but not others. By separating them out, we can answer this question.

The reader should keep in mind that this MSI report is not being written with the intention of criticizing the quality of the CREA report, which, it is to be repeated, is of the highest professional standards. It is being done, however, with the intention of assisting USAID in advising other Missions, for example Guatemala, as to how their limited funds might best be spent after peace treaties are signed.

The Problem of the “Control Groups”

The CREA report states (p. II.2) that it “defined and interviewed two sets of control groups, civilians plus veterans who did not receive benefits; national police demobilized (NP-I).” An examination of the data set reveals that these categories are not nearly as clear as they seem in the report. Consider, for example, the following table:

The table presents a cross tabulation of the stratification utilized in the CREA report in many their tables and the variable (R102) in which the respondent was asked in which group (during the war) he/she served. The “civilian” group, as shown above, has 67.3% who served with the FMLN, 5.3%

R102 Group of service * STRATA Crosstabulation

			STRATA							Total
			FMLN	FMLN mid-ranks	FMLN Youth	Civil	ESAF	Police I	Police II	
R102 Group of service	FMLN	Count	227	41	30	101	2			401
		% within STRATA	98.3%	93.2%	100.0%	67.3%	.5%			39.8%
	ESAF	Count	4	3		8	349			364
		% within STRATA	1.7%	6.8%		5.3%	84.7%			36.1%
	NP	Count					5	94	14	113
		% within STRATA					1.2%	100.0%	29.8%	11.2%
	CUSEP	Count				3	55		33	91
		% within STRATA				2.0%	13.3%		70.2%	9.0%
	Others	Count				38	1			39
		% within STRATA				25.3%	.2%			3.9%
Total		Count	231	44	30	150	412	94	47	1008
		% within STRATA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

who served with the Salvadoran Armed forces, 2% and members of the CUSEP (the Security Forces Demobilized Association). Only 25.3% of the “civilian” sample did not serve in any of these military groups.

Further insight into the “control” groups appears in the following table. As can be seen, nearly 75% of the “civilians” answered “yes” to the following question: “¿Ha participado activamente en algún momento del enfrentamiento armado en El Salvador?”

Based on these two tables, it is fair to say that nearly all of the sample interviewed was involved in the war in one way or another. So, the question then becomes a different one from that posed in the CREA report. We will not attempt to distinguish among combatants and a control group which was, for the most part, directly involved in the war. Rather, we will examine the question: what was the impact of receiving or not receiving a given benefit from the various assistance programs at the end of the war?

R001 Active conflict participation * STRATA Crosstabulation

			STRATA							Total
			FMLN	FMLN mid-ranks	FMLN Youth	Civil	ESAF	Police I	Police II	
R001 Active conflict participation	No	Count	11	1		38	10	37	20	117
		% within STRATA	4.8%	2.3%		25.3%	2.4%	39.4%	42.6%	11.6%
	Yes	Count	220	43	30	112	402	57	27	891
		% within STRATA	95.2%	97.7%	100.0%	74.7%	97.6%	60.6%	57.4%	88.4%
Total		Count	231	44	30	150	412	94	47	1008
		% within STRATA	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Forms of Assistance

The CREA survey was comprehensive in that included all of the benefits that were provided by the reinsertion programs. These were:

1. Agricultural tool kits
2. Severance pay
3. Vocational counseling
4. Training
5. Scholarships

The present report will analyze the impact of each of these benefits separately. The questionnaire included an overall item that determined if the respondent had received or not received the benefit, and then some additional items to clarify the nature of the benefit received (e.g., length of time of the scholarship, training, etc.). In order to simplify the analysis conducted here, the question that we will try to answer is this: which benefits seemed to make the greater impact on which aspects of the ex-combatant’s lives. If a benefit had an especially great impact, then further analysis could be conducted by USAID to see if the amount of the benefit (e.g., length of training) had an influence on the impact.

Measures of Reinsertion

As noted above, this report will focus on three distinct measures of reinsertion: 1) perceptions of improvements/deterioration of one's economic situation from the war period; 2) increase/decrease in community participation, and 3) actual income earned at the time of the interview. But the CREA study also used an overall subjective measure of reinsertion that we will use here, but this time broken down by individual benefit received. The question asked was: ¿Diría Ud. que se ha reinsertado? 1. Muy poco, 2. Poco, 3. Algo, 4. Bastante, 5. Mucho. As can be seen in Figure 1, about half of all of the respondents chose the “mucho” response, while a total of 38% were less satisfied. In the analysis, therefore we will want to see which kinds of benefits are responsible for moving respondents toward the “mucho” or higher range.

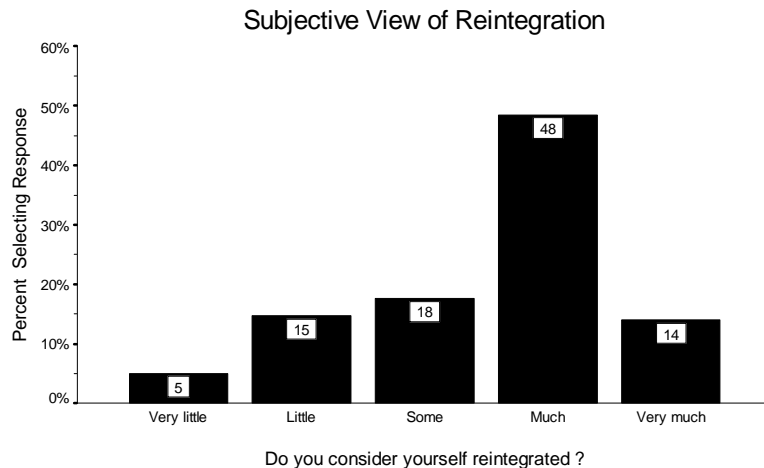


Figure 1

The measure of changes in economic situation asks the respondent if his/her personal economic situation, “se encuentra mejor hoy que durante la guerra? ¿Cuánto? 1. Mucho peor, 2. Un poco peor, 3. Casi igual, 4. Un poco mejor, 5. Mucho mejor.” The results for the various groups in the sample are shown in Figure 2. As can be seen, all of the groups report an improvement of their economic situation (position # 3 is the neutral point), but the increases over the neutral point were very small except for the police groups.

Note that in the presentation of Figure 2 and in the other figures in this report, we have reordered and relabeled the data as presented by CREA.

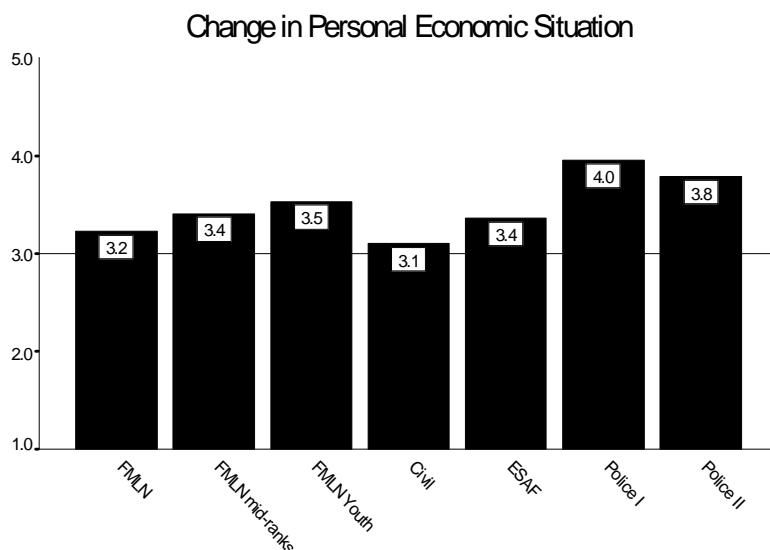


Figure 2

Their presentation did not group together as we do, the FMLN forces, the government forces and the civilians. We believe that our presentation makes it easier for the reader to compare these main groupings.

The next measure of reinsertion, shown in Figure 3, is a measure of increases/decreases in community participation. Respondents were asked: “¿Participaba en las actividades de su comunidad antes/durante el conflicto? ¿Participa ahora? The difference between the present and the past was used by CREA and will be used here to measure changes in community participation. As can be seen, the changes were very small on the scale that had a range of -4 to +4. All of groups except the FMLN regulars reported an increase in participation, but the FMLN group reported a slight decline.

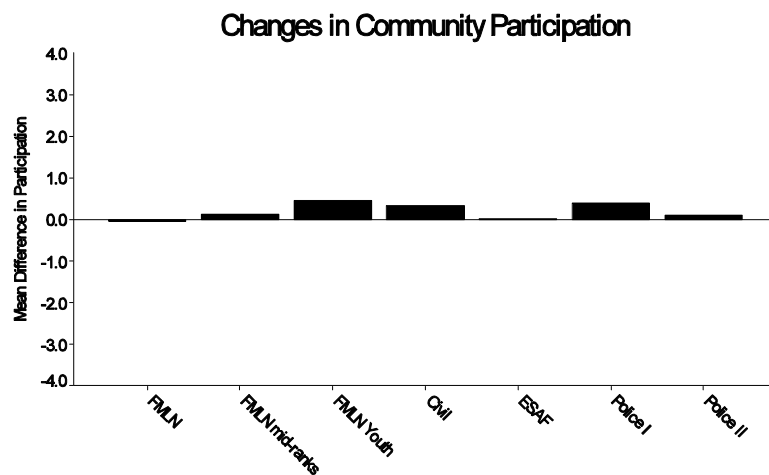


Figure 3

Finally, we examine the respondent’s income. Unfortunately, CREA did not compare income before/during the conflict with after, but only measured of family income at the time of the interview. While this measure does not indicate change, it does give an indication of the welfare of the individual and his/her family after the benefits from the USAID interventions have been received and therefore could be an indication of the impact of those benefits, when compared one to another. Of course, those individuals who had higher skills to begin with prior to the receipt of benefits might be expected to earn more income irrespective of the benefit package, so we cannot attribute these differences entirely to the benefit package. In any event, Figure 4 shows the differences in incomes of the groups under study. The item measured income on a scale that ranged from a low of less than 1,050 colones per month on up to over 6,000 colones per month. Over 92% of the respondents were below 2,000 colones per month, or \$227 per month, which would make family income an average of \$2,727. Since families average about 5 children in rural El Salvador, the per capita income of these beneficiaries averaged \$545 per

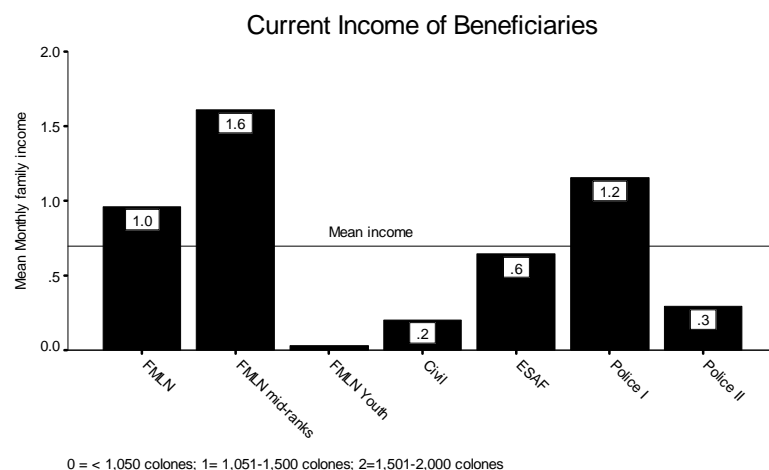


Figure 4

year, or less than half of the national GNP per capita. The highest income was earned by the FMLN mid-range officers, and the lowest by the FMLN youth. In part, of course, this difference is determined by the age of the respondents; mid-range officers are older than the youth and presumably would be expected to earn higher incomes. It is also worth noting that the FMLN soldiers (except the youth) are earning more than the civilians and the ESAF.

We should also note that our analysis is confined to the set of items on the CREA questionnaire that comprised the bulk of the questions. A small set of ten items (53-64) dealt with benefits received in the post-mobilization period. We did not attempt to analyze that data.

Impact of the Reinsertion Efforts

Agricultural Tool Kits

In Figure 5, it is shown that agricultural tool kits were given in very different proportions to the various types of beneficiaries in the sample. Almost all of the FMLN youth combatants, the F-850 group, received them, while the National Police “experimental” group was very unlikely to have received these tools.

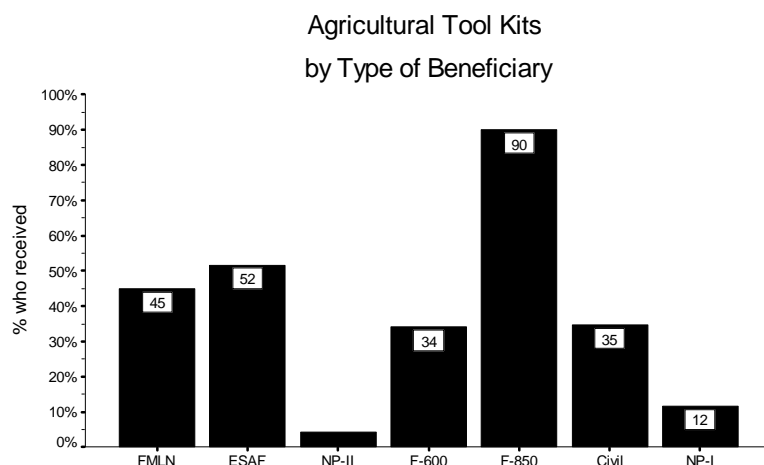


Figure 5

Figure 6 shows that for each group in the sample, having the kits made the respondent feel that he/she was more likely to have been reinserted. But we also see that the impact was slight in all groups. That is, all of the respondents in all groups, with or without the tool kits, report about the same level of reinsertion.

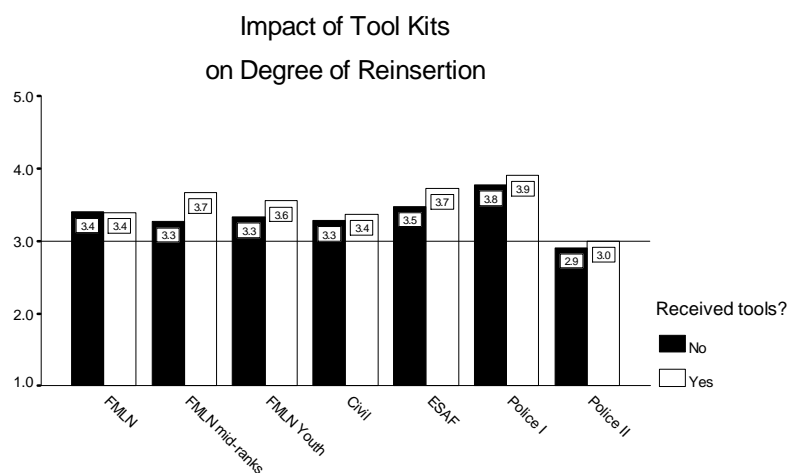


Figure 6

We next examined the impact of tool kits on changes in family economic situation. Figure 7 shows the results. Although most of the groups benefited by the tool kits saw that their family economic situation had improved, not all did. Notably, the FMLN

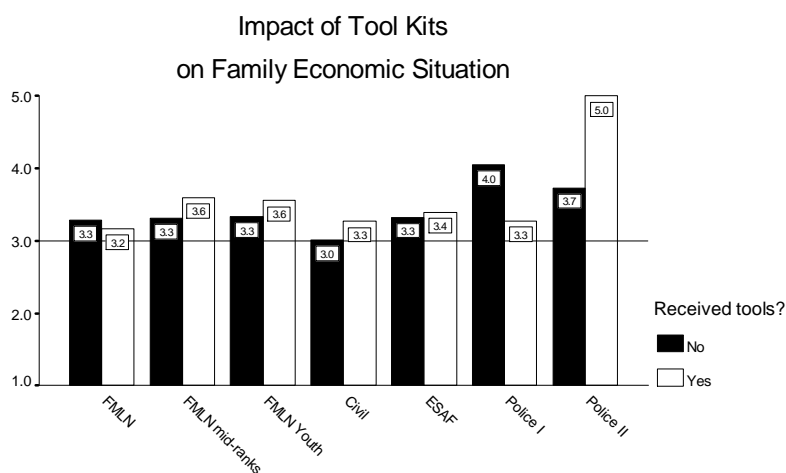


Figure 7

forces as well as the Police I group said that their situation was worse than before the war in spite of the fact that they had received the tool kits. Police II, however, experienced major improvements.

Tool kits had practically no influence on community participation as it shown in Figure 8. In the case of the FMLN, it did increase participation from a level that was negative to one that was positive, but among the FMLN youth it actually is associated a slight decline in participation, as it is among the police and the ESAF.

Finally, we examine the impact of tool kits on income. Figure 9 shows the results. Here the results are puzzling. As can be seen, FMLN and FAES members who received tool kits earn less than those who did not. The figures for the FMLN youth as well as the Police II should be disregarded because in both groups the number receiving the tool kits was fewer than five, so the

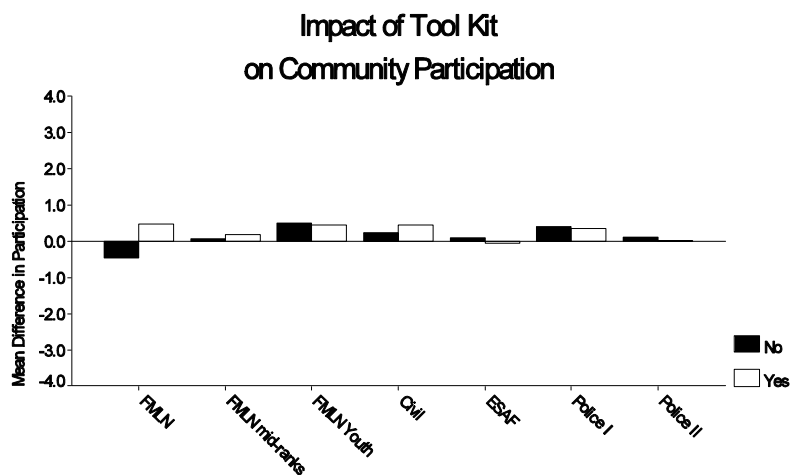


Figure 8

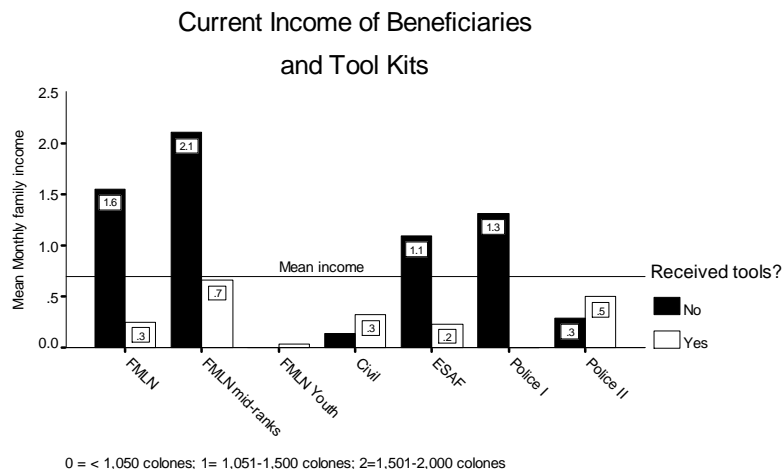


Figure 9

means are not reliable. But these results are showing that tool kits are associated with lower incomes, but do not necessarily produce lower incomes. Since we do not have a measure of change but only of current income, it may well be that we are merely picking up the fact that farmers earn less than those in other occupations. We will be able to examine this possibility further as we look at other interventions.

Severance Pay

We next examine the impact of the receipt of severance. As shown in Figure 10, almost all of the severance pay was concentrated in the Armed Forces and the two police groups. Since none of the other groups were significant recipients of severance pay, it would not seem useful to analyze this input any further on a variable by variable basis unless USAID had a special interest in it.

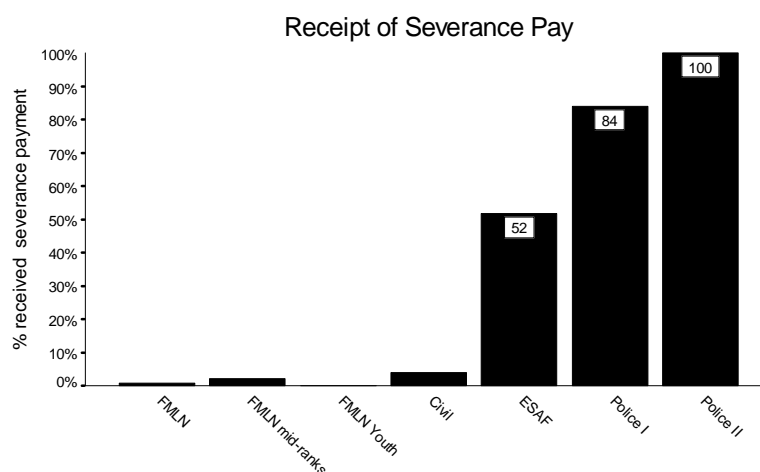


Figure 10

Vocational Counseling

Vocational counseling, like severance pay, was not uniformly distributed among all of the groups. As is shown in Figure 11, nearly all of the police groups received this counseling, while very few of the other groups received it. Once again, since the FMLN and Armed Forces groups were very unlikely to have received this benefit, unless USAID is particularly interested in it, the small sample size of the categories make it difficult to analyze.

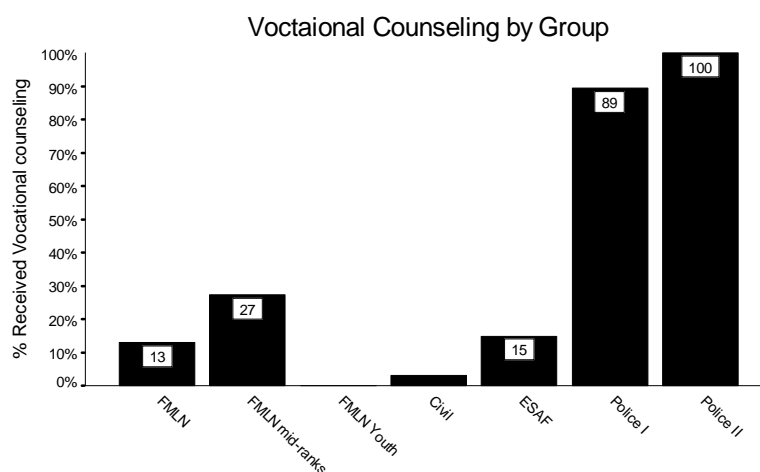


Figure 11

Training

We next turn attention to training. The question asked the respondent to state how many courses he/she had received, but since only 39 respondents had received two courses and 5 had received more than two, we just distinguish between those with training and those with out. Furthermore, the data set from CREA combined those who had completed training with those still

being trained, so it is not possible to separate out these two groups. Figure 12 shows that training was especially common among the FMLN groups.

What is the relationship between training and perception of reinsertion? Figure 13, shows that training seemed to make only a small difference; only among FMLN youth and the FAES did it increase the perception of reinsertion. Among the “civilians” it had a negative effect. The sample size of trained police is too small to draw any conclusions.

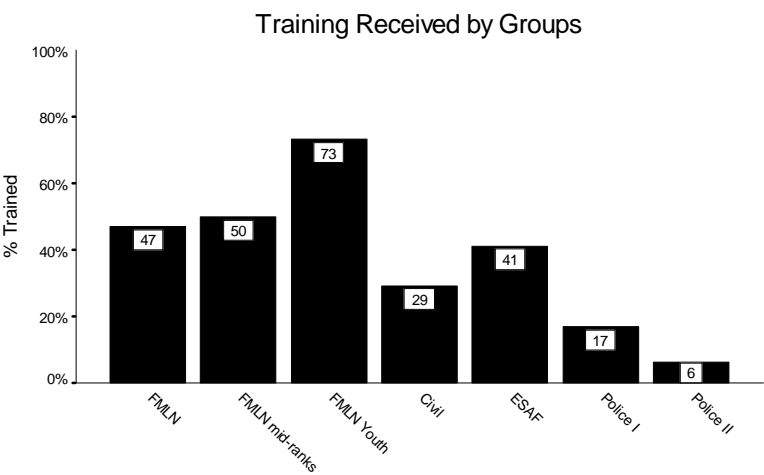


Figure 12

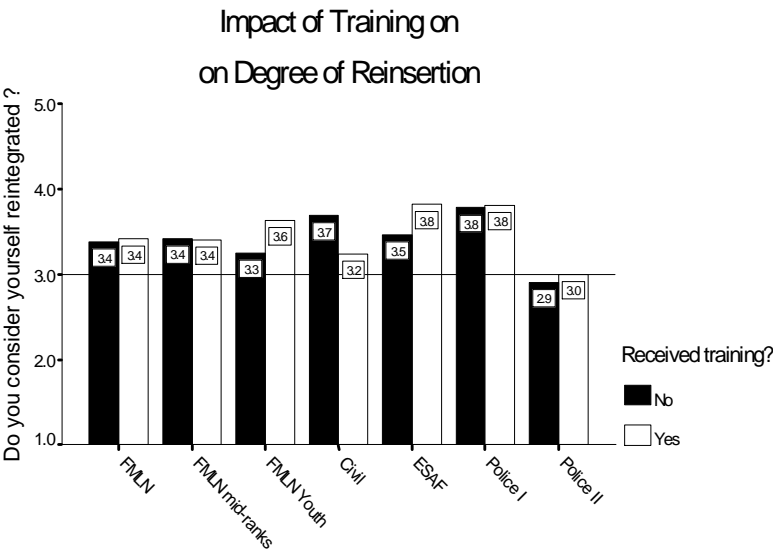


Figure 13

The relationship between training and community participation is shown in Figure 15. As can be seen, training seems to make little difference, with only minor and not consistent changes in communal participation after training.

We see much more positive evidence of the impact of training on the perception of the change in family income. As shown in Figure 14, for all groups except the police, training is associated with increased income. The number of those in the police groups who received training, however, was very small and therefore these numbers may not be reliable.

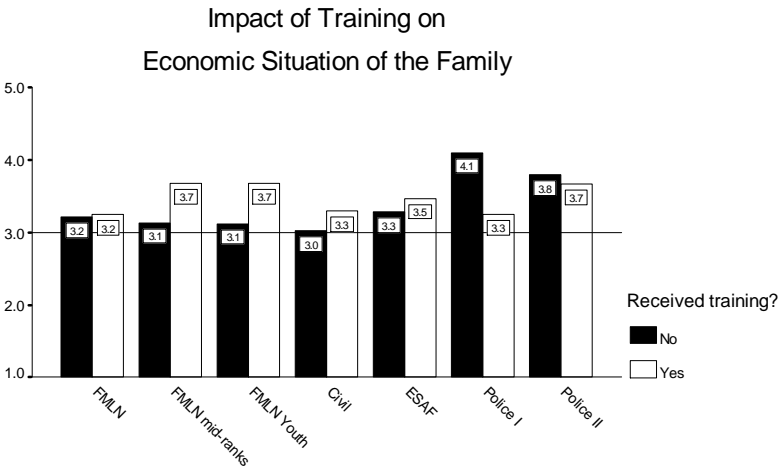
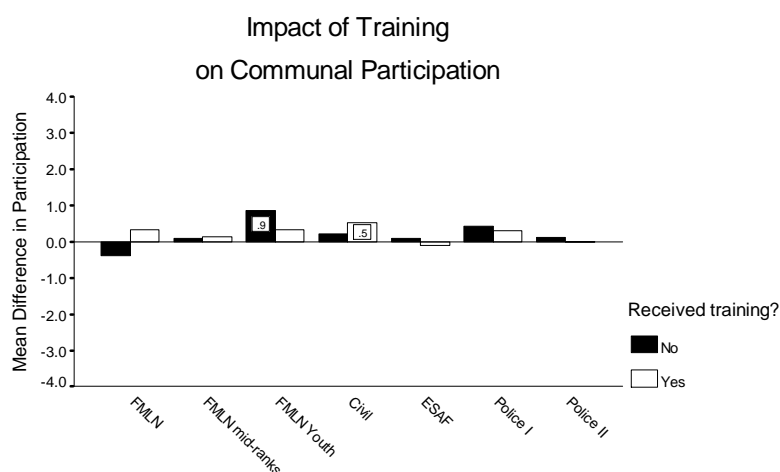


Figure 14



The final potential impact of training examined here concerns its relationship to income. Again, it is important to note that the income data are current income and not changes in income. The results are shown in Figure 16. Once again we find that those who have received a benefit from the various programs earn less than those who have not received the benefit.

Figure
Academic Scholarships

Academic scholarships were provided for secondary and university study. Figure 17 shows the distribution of those scholarships among the respondents the survey. The FMLN and the Police were the major recipients of this benefit.

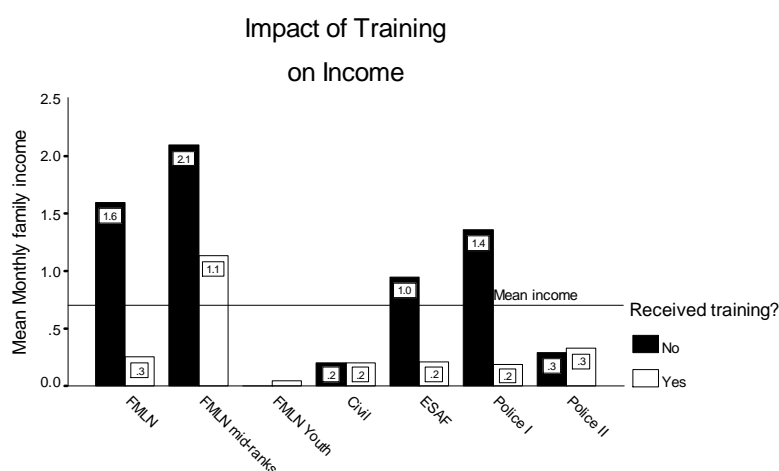


Figure 16

We now examine the relationship between scholarships and respondent perception of reintegration. Figure 18 shows that scholarships were only of minor importance, having a positive impact on the FMLN groups. There were no cases of scholarships for the FMLN youth in the sample, so we could not gauge the impact on this group.

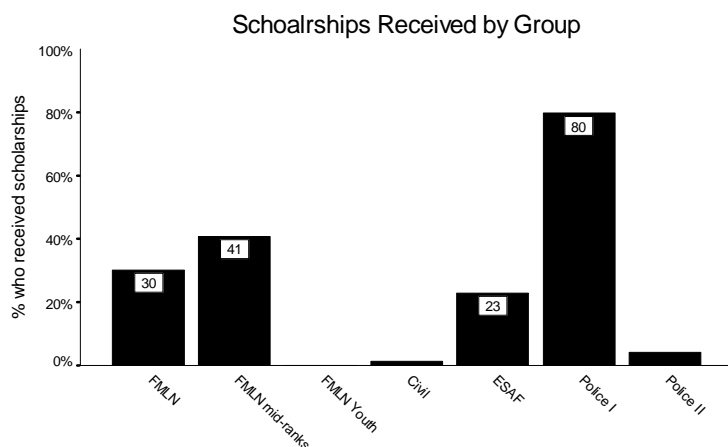


Figure 17

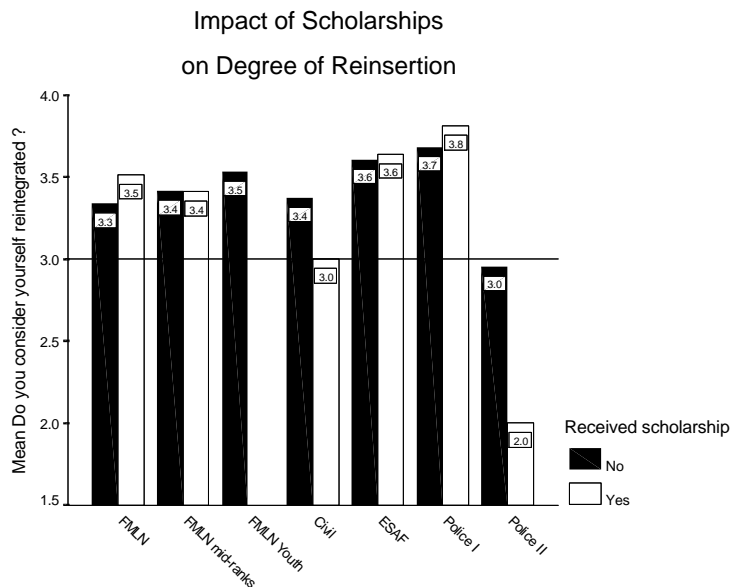


Figure 18

We conclude this exploration of the impact of scholarships by comparing income. The results are presented in Figure 21. As has been shown before, those who receive benefits earn far more income. We will comment more on that finding in the concluding section.

Multivariate Analysis

The data analysis presented thus far has looked at each of the benefits provided in the demobilization effort for each of the major beneficiary groups. These results give us a detailed look at the various benefits as they impacted each group. To obtain an overall perspective on the programs to reintegrate the former combatants, it is necessary to compare one to the other to see

The connection between family economic situation and scholarships is contained in Figure 19. The Police report the greatest benefit from the scholarships. The police were major recipients of these scholarships, so the impact is probably of significance. None of the FMLN youth received these scholarships, so we have no reported change.

Community participation's association with scholarships is shown in Figure 20.

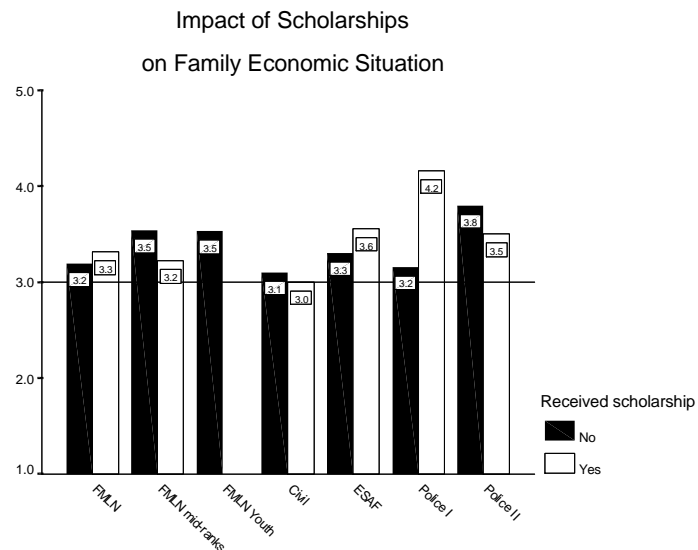


Figure 19

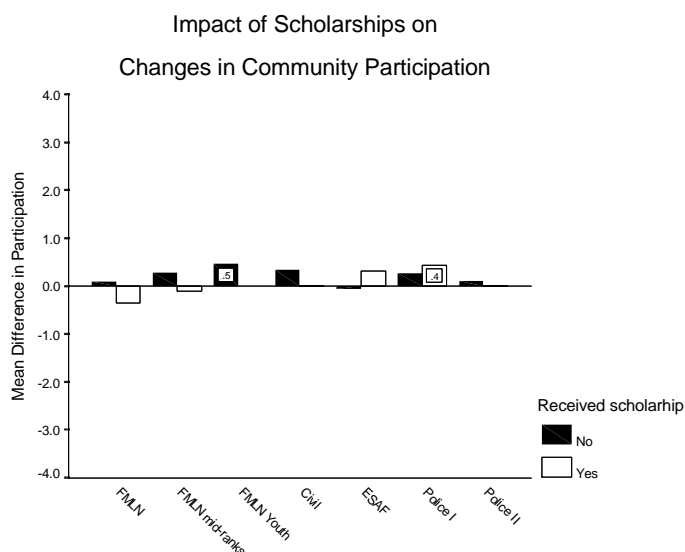


Figure 20

which ones had a greater or lesser impact. To do this requires the use of multivariate analysis, in this instance, multivariate regression.

This analysis begins by asking the question: which interventions best explain the degree of reinsertion of those who were interviewed? The analysis is not based on all of those interviewed, but only the 866 respondents who answered this question. The CREA interviewers purposefully skipped this (and other items) for many in the “civilian” group, i.e., the so-called control group. Thus, only 58 out of the 150 respondents in the “control group” answered this question.

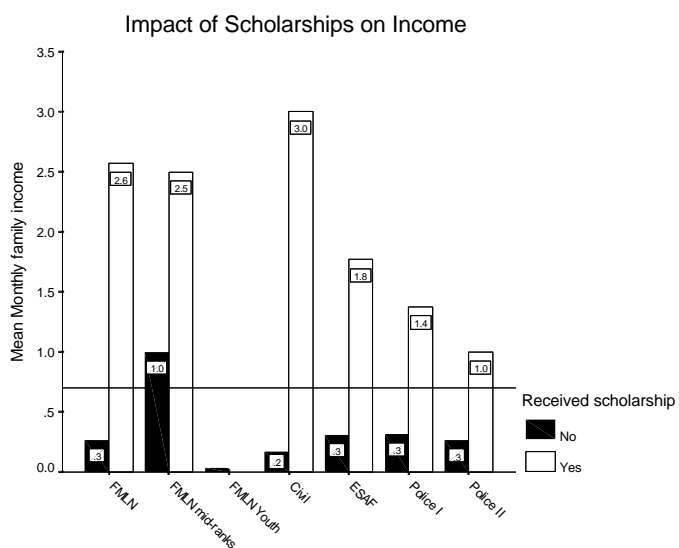


Figure 21

The results of the multivariate analysis are presented below. What they show is the following:

- C Each of the interventions except vocational training, had a positive and statistically significant impact on the respondent’s perception of his/her degree of reinsertion.
- C The most effective of the interventions were the scholarships, followed by the agricultural tool kits, followed by training, and trailed by severance pay.
- C All of the interventions together, however, explain less than 4% of the total difference in the perception of reinsertion.

***** MULTIPLE REGRESSION *****

Equation Number 1 Dependent Variable.. R065 Do you consider yourself rein

Descriptive Statistics are printed on Page 105

Block Number 1. Method: Enter R006 R028 R037 R047 R021

Variable(s) Entered on Step Number 1.. R021 Reception of severance payment
 2.. R047 Reception of scholarships
 3.. R028 Vocational counseling
 4.. R037 Training reception
 5.. R006 Reception of Ag. Toolkits

Multiple R	.18902	Analysis of Variance			
R Square	.03573	DF	Sum of Squares	Mean Square	
Adjusted R Square	.03012	Regression	5	34.95504	6.99101
Standard Error	1.04734	Residual	860	943.34981	1.09692

F = 6.37332 Signif F = .0000

----- Variables in the Equation -----

Variable	B	SE B	95% Confdnce Intrvl B	Beta	T	Sig T
R006	.003038	.001079	9.19287E-04	.005156	.142843	2.814 .0050
R028	-6.37656E-04	8.5037E-04	-.002307	.001031	-.026748	-.750 .4535
R037	.002564	.001033	5.36962E-04	.004590	.119722	2.483 .0132
R047	.004806	.001018	.002808	.006804	.207468	4.721 .0000
R021	.002037	8.2090E-04	4.26287E-04	.003649	.093849	2.482 .0133
(Constant)	3.046343	.095645	2.858618	3.234069	31.850	.0000

End Block Number 1 All requested variables entered.

It is always possible in analysis of this nature, that socio-economic and demographic factors in the sample are responsible for the findings, and the impact, in this case, of the various inputs, turns out to be spurious. In fact, when we control for gender, age, education, marital status, number of children, and income, the findings presented above remain essentially unaltered. This strengthens our confidence in them. The results are presented below.

*** MULTIPLE REGRESSION ***

Equation Number 1 Dependent Variable.. R065 Do you consider yourself rein

Descriptive Statistics are printed on Page 110

Block Number 1. Method: Enter

R006 R028 R037 R047 R021 R089 R090 R092 R097 R098 R099

Variable(s) Entered on Step Number 1.. R099 Monthly family income

2.. R098 Children living with interviewee
3.. R021 Reception of severance payment
4.. R089 Gender
5.. R028 Vocational counseling
6.. R090 Age
7.. R037 Training reception
8.. R092 Educational level
9.. R097 Marital status
10.. R006 Reception of Ag. Toolkits
11.. R047 Reception of scholarships

Multiple R	.21825	Analysis of Variance		
R Square	.04763	DF	Sum of Squares	Mean Square
Adjusted R Square	.03537	Regression	11	46.60088
Standard Error	1.04450	Residual	854	931.70397

F = 3.88312 Signif F = .0000

----- Variables in the Equation -----

Variable	B	SE B	95% Confdnce Intrvl B	Beta	T	Sig T
R006	.003221	.001127	.001008 .005434	.151458	2.857	.0044
R028	-4.39744E-04	8.5235E-04	-.002113 .001233	-.018446	-.516	.6060
R037	.002585	.001038	5.46890E-04 .004623	.120721	2.489	.0130
R047	.003324	.001504	3.71073E-04 .006276	.143484	2.209	.0274
R021	.001960	8.5725E-04	2.77206E-04 .003642	.090269	2.286	.0225
R089	.004538	.014391	-.023708 .032784	.011329	.315	.7526
R090	.008218	.004548	-7.07469E-04 .017144	.065208	1.807	.0711
R092	.009524	.007743	-.005673 .024721	.078940	1.230	.2190
R097	.191798	.108503	-.021165 .404762	.081966	1.768	.0775
R098	-.070432	.111922	-.290106 .149243	-.029735	-.629	.5293
R099	.015755	.027914	-.039034 .070543	.022161	.564	.5726
(Constant)	2.623527	.182196	2.265922 2.981131		14.399	.0000

End Block Number 1 All requested variables entered.

We then examined the other measures of reinsertion included in the study. We found that the respondent's personal economic situation was affected in the following ways (even after controlling for the socio-economic and demographic factors mentioned above):¹¹

C Vocational counseling, training and severance pay tended to improve the respondent's perception of improvement in his/her economic status.

¹¹ We do not include in this report the regression output for these and the most of the remaining equations reported upon here.

- C Scholarships and toll kits did not have an impact.
- C The most significant factor was vocational orientation, with the others following closely behind.

We then looked at the impact of the reinsertion measures on changes in community participation. We found, in contrast to the CREA report, that:

- C None of the interventions had a significant impact on changes in community participation. We did not, however, examine such variables as voting behavior.

Finally, even though we do not have a measure for the actual change in income earned by the respondent, we do have a measure of income itself. The regression equation presented below produced the most powerful findings in the entire study.

- C Income of the respondents is most highly predicted by scholarships and the level of education of the respondent.
- C This equation explains 28% of the variance in income, or nine times what we were able to predict in the prior equations by the interventions alone.
- C Perhaps most importantly, not a single one of the other interventions had any positive impact on income, while severance pay had a negative impact.

We hasten to add that even though this final set of findings suggests a powerful impact of scholarships, not all of the respondents were eligible for them. Only those who had completed primary school were eligible for the high school scholarships, and only those who had completed secondary school were eligible for university scholarships. In the sample, 42% of the respondents had less than a sixth grade education, and they are very likely the ones with the lowest levels of income. Therefore, the ineligibility of the poorest respondents for scholarships may influence this finding.

To check on the possibility that the impact of scholarships may have been merely a spurious result of the level of education of the respondent, we re-ran the analysis, dropping out all of those with a sixth grade education or less, so as to confine ourselves to those eligible for a scholarship. The findings are the same; that is, even when we drop out all of those likely ineligible for a scholarship, scholarships are the only significant predictor of income. In this analysis, the level of education drops to insignificance, leaving scholarships alone as the predictor.

Finally, we made the test even more stringent. We dropped out all of those who had less than a high school education, and just focused on the university educated. Once again, the same results: scholarships powerfully predict income, while no other benefit has any impact. We conclude, therefore, that scholarships could be a very important mechanism for increasing incomes in El Salvador.

***** MULTIPLE REGRESSION *****

Equation Number 1 Dependent Variable.. R099 Monthly family income

Descriptive Statistics are printed on Page 130

Block Number 1. Method: Enter R006 R028 R037 R047 R021 R089 R090 R092 R097 R098

Variable(s) Entered on Step Number 1.. R098 Children living with interviewee

- 2.. R021 Reception of severance payment
- 3.. R089 Gender
- 4.. R037 Training reception
- 5.. R090 Age
- 6.. R028 Vocational counseling
- 7.. R092 Educational level
- 8.. R097 Marital status
- 9.. R006 Reception of Ag. Toolkits
- 10.. R047 Reception of scholarships

Multiple R	.53370	Analysis of Variance		
R Square	.28483	DF	Sum of Squares	Mean Square
Adjusted R Square	.27766	Regression	10	573.60351
Standard Error	1.20190	Residual	997	1440.22883
				1.44456

F = 39.70777 Signif F = .0000

----- Variables in the Equation -----

Variable	B	SE B	95% Confdnce Intrvl B	Beta	T	Sig T
R006	-.001776	.001194	-.004119 5.68017E-04	-.062016	-1.487	.1374
R028	-.001322	9.6551E-04	-.003217 5.72738E-04	-.039834	-1.369	.1713
R037	3.38146E-04	.001154	-.001926 .002602	.011629	.293	.7695
R047	.010798	.001580	.007697 .013899	.335052	6.832	.0000
R021	-.002341	9.3385E-04	-.004174 -5.08579E-04	-.078748	-2.507	.0123
R089	-.009911	.013877	-.037142 .017320	-.021200	-.714	.4753
R090	-.006405	.004194	-.014635 .001826	-.044463	-1.527	.1271
R092	.034811	.008071	.018973 .050648	.213558	4.313	.0000
R097	.106889	.113190	-.115229 .329006	.034608	.944	.3452
R098	.133982	.117257	-.096117 .364082	.042075	1.143	.2535
(Constant)	.328773	.181768	-.027919 .685465		1.809	.0708

End Block Number 1 All requested variables entered.

ANNEX J
MEA-NRP & SPECIAL PROJECT FUNDS INVESTED
IN ALL NRP MUNICIPALITIES TO
DECEMBER 31, 1995

DEPARTMENT & MUNICIPALITY	FUNDS INVESTED
SANTA ANA	
Masahuat	2,751,538.75
Texistepeque	2,990,267.00
Santa Rosa Guachipilín	<u>1,636,275.00</u>
Total	7,378,080.75
CHALATENANGO	
Agua Caliente	2,834,469.95
Citalá	1,871,179.00
El Carrizal	2,271,088.00
La Palma	1,842,053.07
Nombre de Jesús	2,051,527.25
Nueva Trinidad	2,977,242.00
San Antonio De La Cruz	2,662,424.00
San Fernando	2,278,260.10
San Ignacio	2,065,556.56
San José Cancaste	2,061,426.26
Arcatao	2,235,787.71
Chalatenango	3,670,633.70
La Laguna	1,927,410.40
Las Vueltas	1,817,673.30
Nueva Concepción	2,866,201.14
Ojos de Agua	2,003,393.00
San Antonio Los Ranchos	1,919,355.20
San Francisco Morazán	2,261,281.00
San Isidro Labrador	1,902,050.86
San José Las Flores	<u>2,458,528.00</u>
Total	45,977,540.50

SAN VICENTE Apastepeque Santa Clara San Ildefonso Tecoluca Guadalupe San Esteban Catarina San Sebastián Verapaz Total	1,944,574.03 2,065,186.74 1,852,784.00 3,032,261.50 3,241,510.61 2,040,919.33 1,866,502.00 <u>1,837,823.44</u> 17,881,561.65
LA PAZ Jerusalem Paraíso de Osorio Santa María Ostuma Mercedes La Ceiba San Pedro Nonualco Santiago Nonualco Total	2,323,351.33 2,098,339.00 1,841,053.67 1,915,479.09 1,831,482.50 <u>2,926,829.00</u> 12,936,534.59
CABAÑAS Cinquera Ilobasco San Isidro Tejutepeque Villa Dolores Guacotecti Jutiapa Sensuntepeque Villa Victoria Total	2,438,283.00 1,999,856.00 1,833,715.00 1,876,679.00 2,305,855.18 2,432,778.00 2,724,940.96 1,975,075.00 <u>2,930,494.77</u> 20,517,676.91
LA LIBERTAD Quezaltepeque San Matías San Juan Opico San Pablo Tacachico Total	2,000,100.95 1,824,418.00 1,962,718.36 <u>1,995,918.90</u> 7,783,156.21

SAN SALVADOR	
Aguilares	2,377,392.00
El Paisnal	1,850,330.00
Nejapa	1,869,990.00
Apopa	3,545,793.17
Guazapa	2,462,472.75
Tonacatepeque	<u>1,989,916.41</u>
Total	14,095,894.33
CUSCATLAN	
El Rosario	2,019,867.82
Suchitoto	3,149,066.48
San José Guayabal	4,077,107.95
Tenancingo	<u>1,888,986.00</u>
Total	11,135,028.25
USULUTAN	
Alegría	1,873,838.00
California	2,186,585.00
El Triunfo	1,930,836.00
Estanzuela	1,834,064.00
Jucuapa	1,901,681.00
Nueva Granada	2,199,850.42
San Dionisio	3,210,840.46
San Francisco Javier	1,554,298.00
Tecapán	2,113,942.85
Berlín	2,016,040.00
Concepción Batres	1,916,170.00
Ereguayquín	1,265,514.50
Jiquilisco	3,181,357.41
Jucuarán	1,791,817.45
San Agustín	2,035,534.56
Santa Elena	2,554,970.87
Santiago de María	<u>2,798,715.25</u>
Total	36,366,055.77

SAN MIGUEL	
Carolina	1,826,730.00
Chapeltique	1,829,281.98
Nuevo Eden de San Juan	2,101,364.56
San Gerardo	1,872,428.30
San Luis de La Reina	1,842,005.00
Sesori	1,834,899.18
Ciudad Barrios	2,047,119.70
Chinameca	2,088,444.00
San Antonio del Mosco	1,830,959.00
San Jorge	2,660,149.55
San Rafael Oriente	<u>3,029,656.25</u>
Total	22,963,037.52
MORAZAN	
Arambala	1,890,407.75
Corinto	1,950,653.00
Rosario	2,922,699.85
Gualococti	1,966,271.56
Joateca	1,909,520.00
Meanguera	2,209,172.00
Perquín	1,735,067.80
San Francisco Gotera	2,031,141.57
San Simón	1,770,296.81
Sociedad	2,077,598.51
Yamabal	1,143,541.63
Cacaopera	1,828,847.00
Delicias de Concepción	1,885,080.00
Guatajiaga	1,754,728.00
Jocoaitique	2,308,916.00
Osicala	1,838,018.00
San Fernando	3,070,388.13
San Isidro	1,972,372.00
Sensembra	2,012,765.00
Torola	2,660,989.81
Yoloaiquín	<u>1,952,296.00</u>
Total	42,890,770.42

LA UNION	
Anamorós	2,006,008.83
El Sauce	3,861,710.00
Nueva Esparta	2,128,133.50
Concepción de Oriente	1,825,595.00
Lislique	1,876,255.00
Polorós	<u>1,824,245.00</u>
Total	13,521,947.33

GRAND TOTAL	253,447,284.23
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Source: Secretaría de Reconstrucción Nacional, Dirección de Fortalecimiento Municipal.

ANNEX K

Las actitudes políticas de los desmovilizados

El equipo evaluador de MSI tuvo acceso a la base de datos de una encuesta a 200 desmovilizados, realizada por la Fundación Dr. Guillermo Manuel Ungo entre agosto y septiembre de 1994 (Encuesta sobre Perfil Socio-Económico y Actitudes de los desmovilizados de guerra, 1994).¹² Esta encuesta tiene la ventaja de incluir preguntas sobre las actitudes políticas de los desmovilizados: tolerancia política y apoyo para el sistema, además de las preguntas más tradicionales sobre beneficios a los que tuvieron acceso y otra información de carácter socio-económico.

Es más, tenemos la suerte que a comienzos de 1995, la Universidad de Pittsburgh, con el apoyo financiero de la Agencia de los Estados Unidos para el Desarrollo Internacional, realizara un estudio de opinión pública sobre la cultura política de los Salvadoreños, para el cual utilizaron una muestra estratificada de múltiples estratos, representativa para todo el país. En total, fueron entrevistados 1,600 individuos, distribuidos en todos los 14 departamentos del país y en 46 de las 262 municipalidades. En este estudio (Seligson y Córdova, 1995) se incluyeron preguntas sobre las mismas actitudes políticas de la encuesta de 1994: tolerancia política y apoyo para el sistema de gobierno.

Esto nos permite no solo describir las actitudes de los dos grupos de desmovilizados y compararlos entre sí, sino que además se pueden comparar las actitudes de los desmovilizados (a finales de 1994) con las de la población civil (a comienzos de 1995).

Apoyo para el sistema de gobierno

La literatura de la ciencia política ha señalado que la estabilidad del sistema de gobierno está directamente vinculada a las percepciones populares sobre la legitimidad del sistema. Hasta hace poco, los esfuerzos por medir legitimidad han sido influenciados por la creencia en la escala de "Confianza en el Gobierno" ideada por la Universidad de Michigan.¹³ Aquella escala, se terminó viendo, confiaba demasiado en una medida de insatisfacción con el desempeño de los gobernantes en lugar de una generalizada insatisfacción con el sistema de gobierno. El desarrollo de la Escala de "Apoyo-Alienación Política", ya probada en otros estudios, ha resultado ser una herramienta analítica mucho más poderosa para medir legitimidad.¹⁴ La escala ha mostrado ser más confiable y válida (reliable). Está basada en una distinción hecha por Easton, basándose en Parsons, de definir

¹² La encuesta se realizó entre los meses de agosto y septiembre de 1994 y cubrió 98 desmovilizados de la Fuerza Armada y 102 del FMLN, dando un total de 200 desmovilizados. La muestra se tomó en 13 municipios en 6 departamentos: San Salvador (San Salvador y Guazapa), Chalatenango (Chalatenango), Morazan (San Francisco de Gotera, Meanguera y Arambala), Usulután (Usulután, Jucuarán y Tierra Blanca), San Miguel (San Miguel y Chinameca) y San Vicente (Santa Clara y Tecoluca). El responsable del trabajo de campo fue el Mtro. Oscar A. Zepeda, y el supervisor del estudio fue el Mtro. Carlos Mauricio López Grande -coordinador de investigaciones de FUNDAUNGO.

¹³ Arthur H. Miller, "Political Issues and Trust in Government," American Political Science Review 68 (September 1974):951-972.

¹⁴ Para una revisión de esta evidencia, véase: Mitchell A. Seligson, "On the Measurement of Diffuse Support: Some Evidence from Mexico," Social Indicators Research 12 (Enero 1983):1-24; y Edward N. Muller, Thomas O. Jukam y Mitchell A. Seligson, "Diffuse Political Support and Antisystem Political Behavior: A Comparative Analysis," American Journal of Political Science 26 (May 1982):240-264.

legitimidad en términos de apoyo al sistema (o sea, apoyo difuso) frente a apoyo específico (o sea, apoyo a los gobernantes)¹⁵. Las preguntas eran las siguientes:

1. ¿Hasta qué punto cree ud. que los tribunales de justicia de El Salvador garantizan un juicio justo?
2. ¿Hasta qué punto tiene Ud. respeto por las instituciones políticas de El Salvador?
3. ¿Hasta qué punto cree Ud. que los derechos básicos del ciudadano están bien protegidos por el sistema político salvadoreño?
4. ¿Hasta qué punto se siente Ud. orgulloso de vivir bajo el sistema político salvadoreño?
5. ¿Hasta qué punto piensa Ud. que se debe apoyar el sistema político salvadoreño?
6. ¿Hasta qué punto tiene confianza Ud. en el Tribunal Supremo Electoral?
7. ¿Hasta qué punto tiene confianza Ud. en la Fuerza Armada?
8. ¿Hasta qué punto tiene confianza Ud. en la Asamblea Legislativa?
9. ¿Hasta qué punto tiene confianza Ud. en el Gobierno?

El principal hallazgo es que los desmovilizados, tanto del FMLN como de la Fuerza Armada, en general exhiben menores niveles de apoyo para el sistema de gobierno que el resto de la ciudadanía. Para simplificar nuestro análisis, las variables se han tricotomizado: "nada" de apoyo, "algo" de apoyo o "mucho" apoyo.¹⁶ En la categoría de "mucho" apoyo, por lo general los ciudadanos expresan mayores niveles de apoyo que los desmovilizados; y los desmovilizados de la Fuerza Armada expresan mayores niveles de apoyo comparados con los desmovilizados del FMLN.

En la categoría de "bajo" apoyo, en algunos casos los desmovilizados tienen mayores niveles de bajo apoyo; en otros casos los ciudadanos expresan mayores niveles de bajo apoyo; y en otros casos los tres grupos exhiben el mismo nivel de bajo apoyo. De cualquier forma, en general se puede afirmar que los desmovilizados del FMLN exhiben niveles más altos de bajo apoyo, comparado con los desmovilizados de la Fuerza Armada e incluso en relación con los ciudadanos. En el caso del apoyo para la Fuerza Armada, casi el 80% de los desmovilizados del FMLN expresaron no tener apoyo en dicha institución; y poco más del 60% manifestó no tener confianza en el Gobierno; y casi 40% de los desmovilizados del FMLN manifestaron no tener confianza en el Tribunal Supremo Electoral.

Con relación a los que respondieron "algo" de apoyo para el sistema, por lo general, los desmovilizados del FMLN y de la Fuerza Armada seleccionan esta opción de una manera significativa en relación con los ciudadanos.

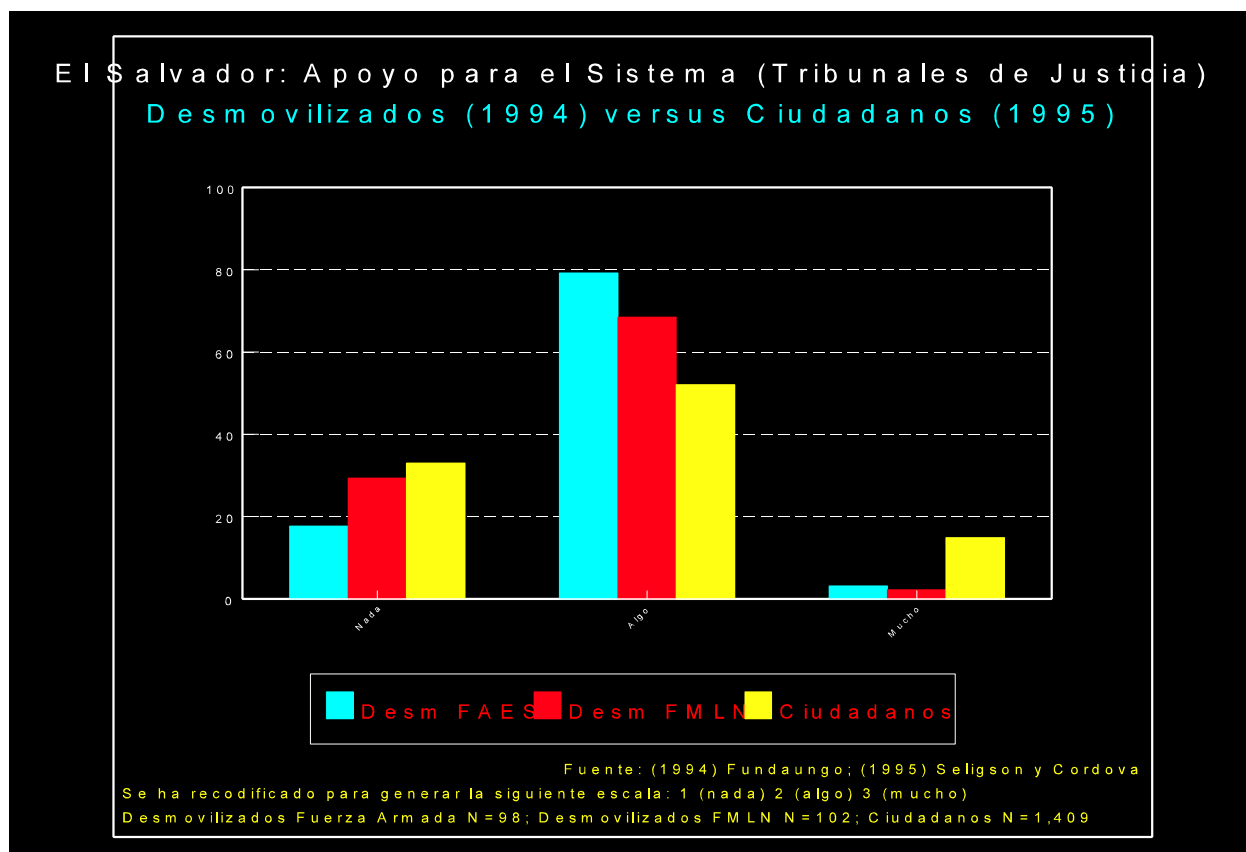
A continuación presentamos las distintas gráficas sobre los niveles de apoyo para el sistema. Nótese que en el caso de la encuesta de la Universidad de Pittsburgh, únicamente hemos

¹⁵ David Easton, "A Re-assessment of the Concept of Political Support," British Journal of Political Science 5 (October 1975):435-457.

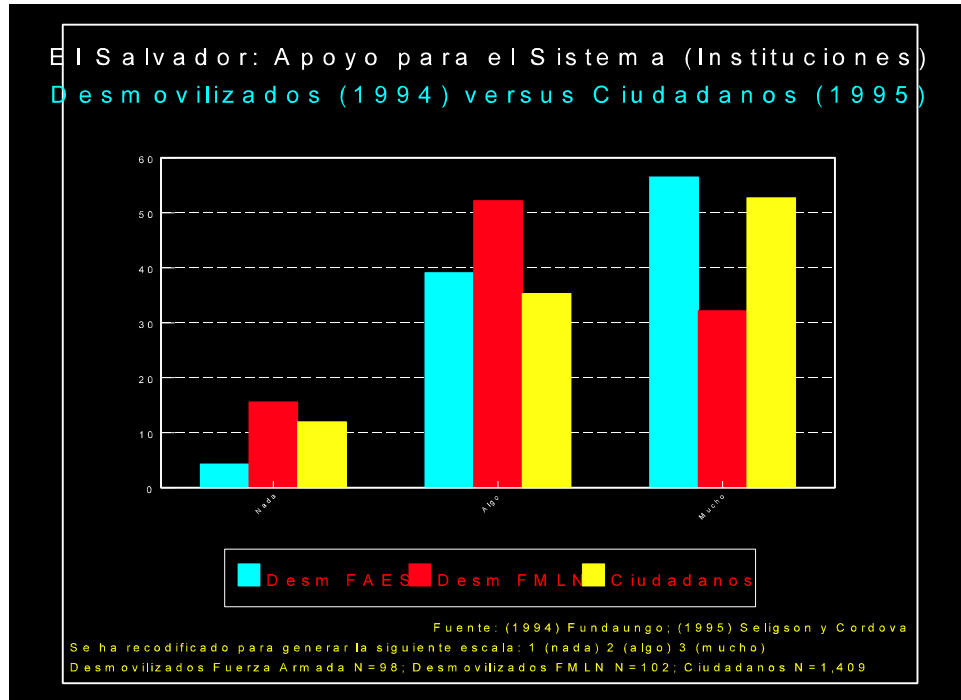
¹⁶ La encuesta de los desmovilizados utilizó una escala de cuatro gradas: (1) mucho, (2) un poco, (3) muy poco, y (4) nada ; mientras que la de la Universidad de Pittsburgh utilizó siete gradas (de nada a mucho). Lo que se hizo en primer lugar, fue cambiar el sentido de la escala de los desmovilizados, para que los valores más bajos fueran de "nada" a "mucho" y fueran coincidentes con la dirección de la escala de la U. de Pittsburgh. En segundo lugar, se recodificaron los valores para tener una escala común: "nada" representa el valor 1 para la escala de los desmovilizados y los valores 1 y 2 de la Universidad de Pittsburgh; "algo" representa el valor 2 y 3 para la escala de los desmovilizados y los valores 3,4, y 5 de la Universidad de Pittsburgh; y "mucho" representa el valor 4 para la escala de los desmovilizados y los valores 6 y 7 de la Universidad de Pittsburgh.

incluido los datos correspondientes a 1,409 personas entrevistadas, excluyendo la sobre-muestra del FMLN.

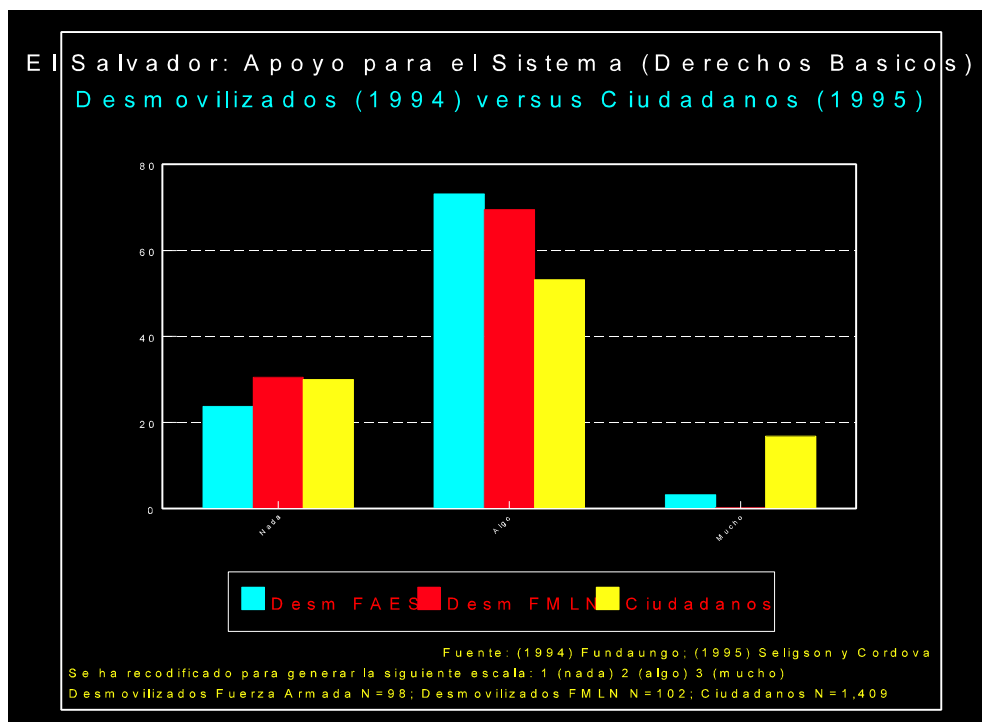
Grafica 1



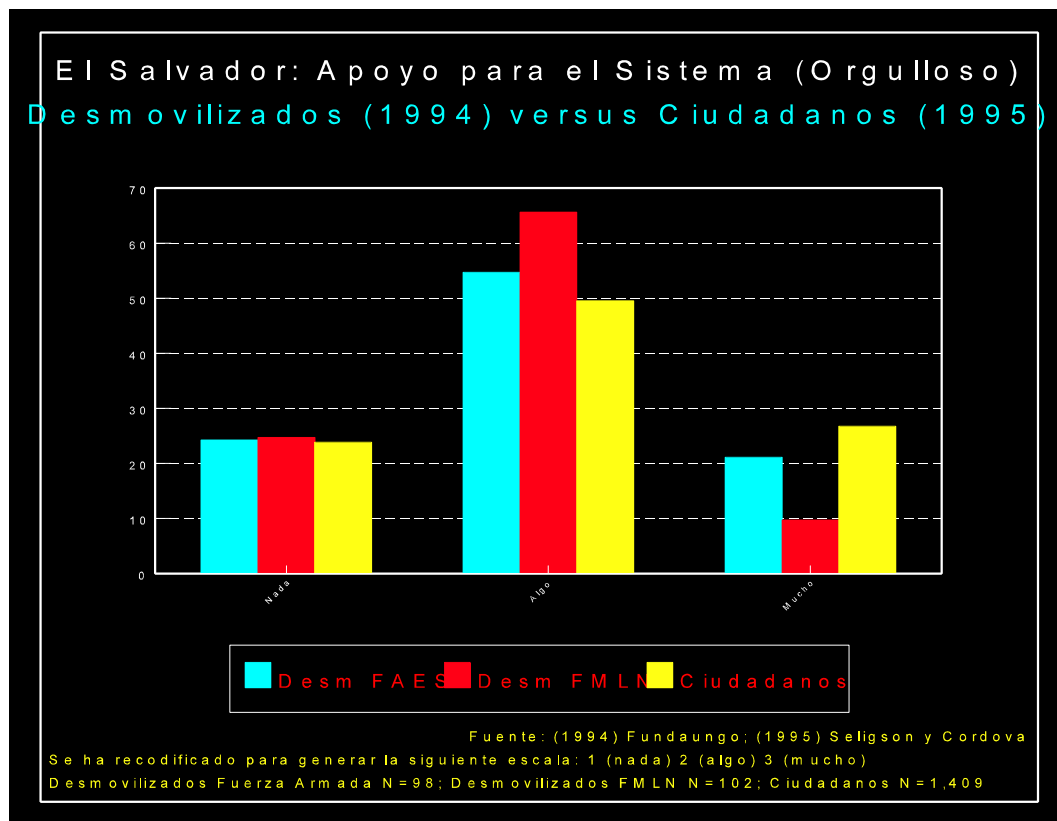
Grafica 2



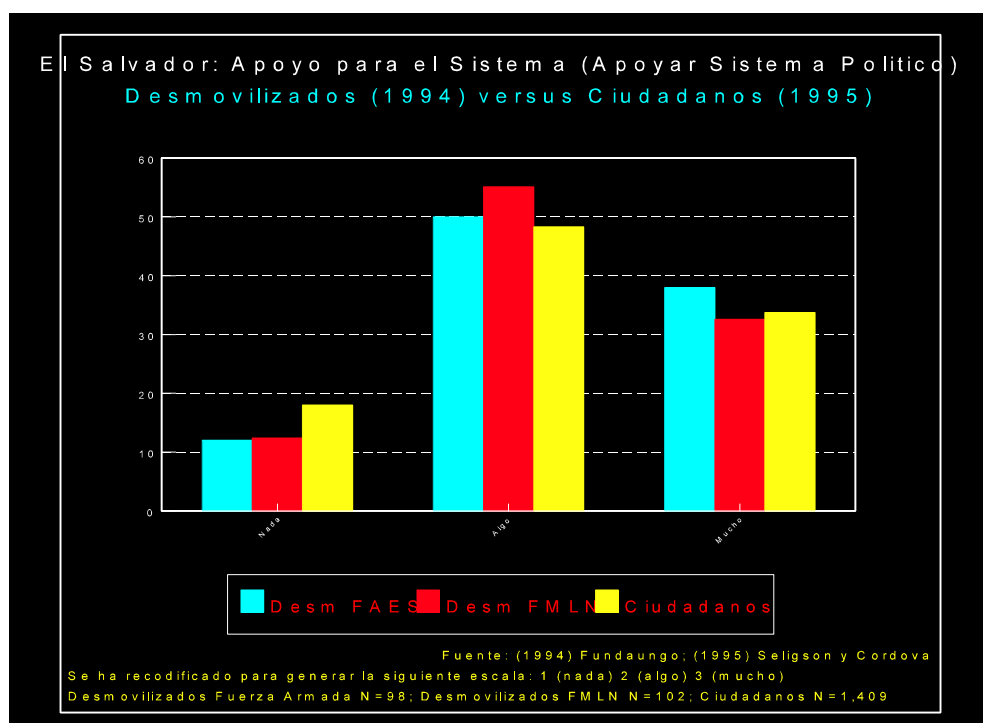
Grafica 3



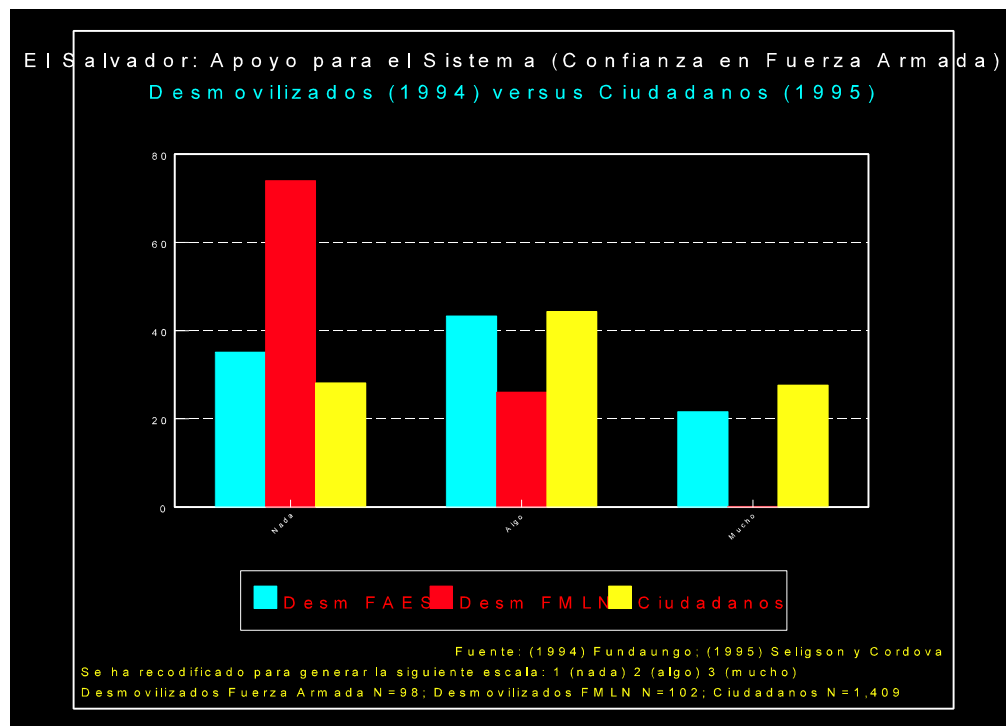
Grafica 4



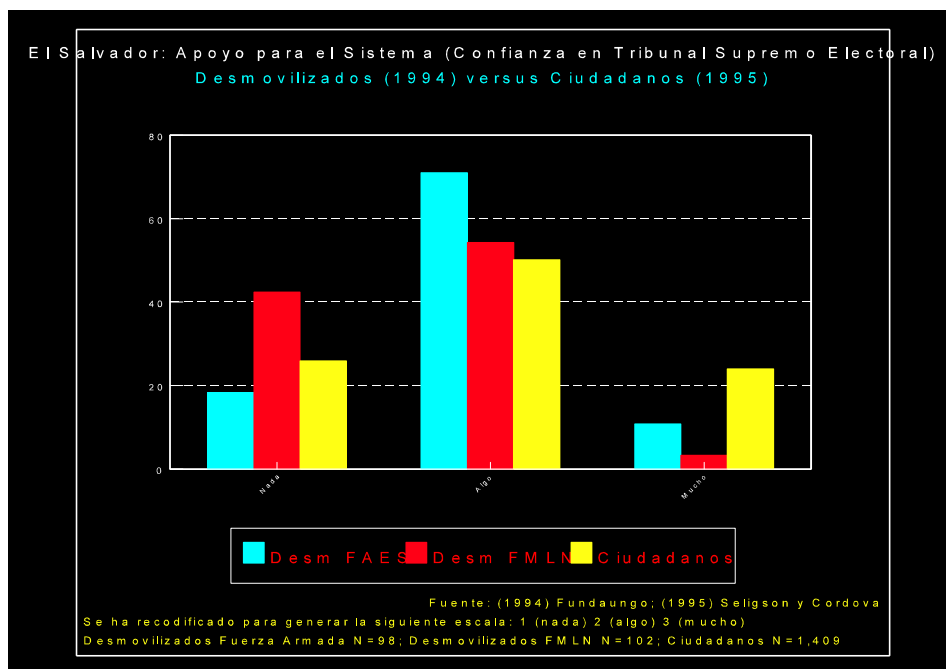
Grafica 5



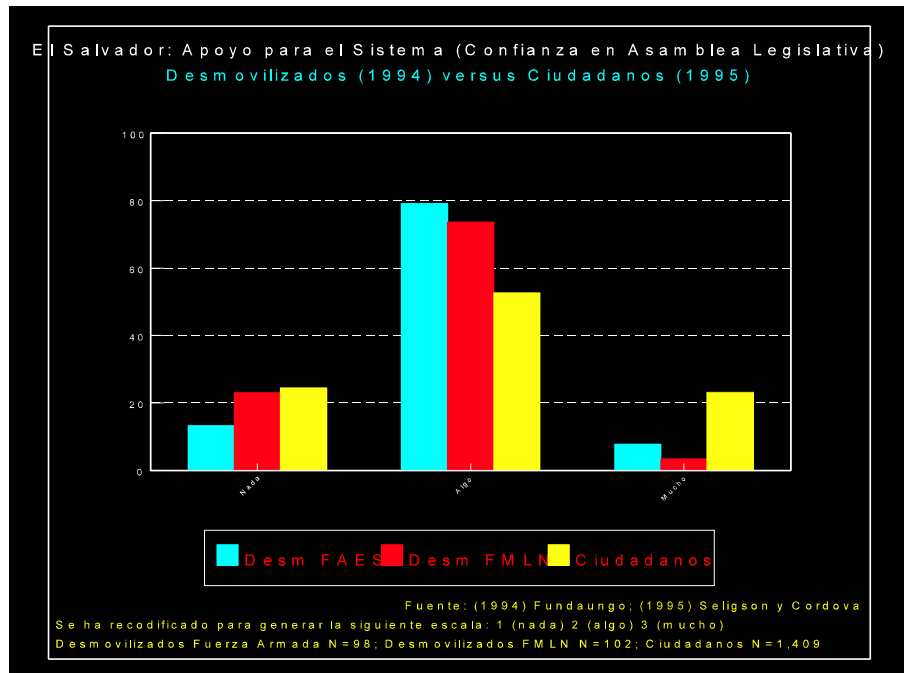
Grafica 6



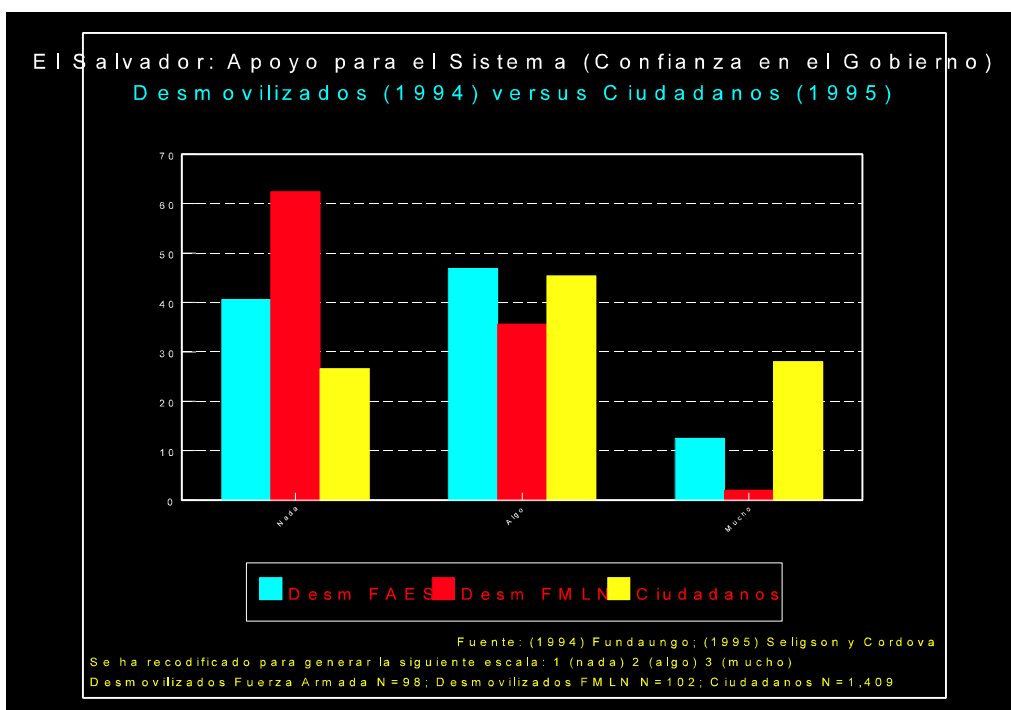
Grafica 7



Grafica 8



Grafica 9



En conclusión, mas de la mitad (60-70%) de los desmovilizados de ambos bandos manifiesta por lo menos algo de apoyo para el sistema de gobierno. Le sigue un grupo alrededor del 20% que abiertamente reconocen no tener ningún apoyo por el sistema de gobierno. Además, en general los desmovilizados reportan niveles muy bajos de "mucho" apoyo por el sistema de gobierno, con la excepción de las preguntas sobre la confianza en las instituciones y el apoyo para el sistema político.

En el caso de los ciudadanos, reportan mayores niveles de "mucho" apoyo, iguales niveles de "nada" de apoyo que los desmovilizados, y un poco menos de "algo" de apoyo en comparación con los desmovilizados, lo que reforzaría el punto de que los ciudadanos en general expresan mayores niveles de apoyo para el sistema de gobierno, aunque prácticamente un quinto de la ciudadanía expresan "nada" de apoyo para el sistema.

Tolerancia política

La tolerancia política ha sido medida en muchos estudios determinando la voluntad de los individuos de extender las libertades civiles a grupos específicos. En algunos, como en los estudios de Stouffer, los grupos son elegidos por el investigador.¹⁷ En otros casos, se presentan listas de grupos y el entrevistado selecciona el grupo que "menos prefiere" (least liked).¹⁸ Parece ahora, sin embargo, que ambos métodos producen resultados altamente similares.¹⁹ En el estudio para el caso de El Salvador, se mide tolerancia concentrándose en cuatro de las más básicas libertades civiles: el derecho a votar, derecho para realizar manifestaciones pacíficas, a postularse para cargos públicos y el derecho a la libertad de expresión. Se pregunto lo siguiente. Hay personas que solamente hablan mal de la forma de gobierno. ¿Con qué firmeza aprueba o desaprueba Ud. el derecho de esas personas a:

1. votar?
2. llevar a cabo manifestaciones pacíficas con el propósito de expresar sus puntos de vista?
3. postularse para cargos públicos?
4. que salgan en la televisión para hacer un discurso?

Los hallazgos se presentan en las siguientes gráficas, para cada una de las variables específicas: votar, manifestarse, postularse y libertad de expresión. Nótese que el sentido de la escala es aprobar firmemente (valor 1) a desaprobar firmemente (valor 5), razón por la cual entre menor

¹⁷Samuel A. Stouffer. *Communism, Conformity and Civil Liberties*. New York: Doubleday, 1955.

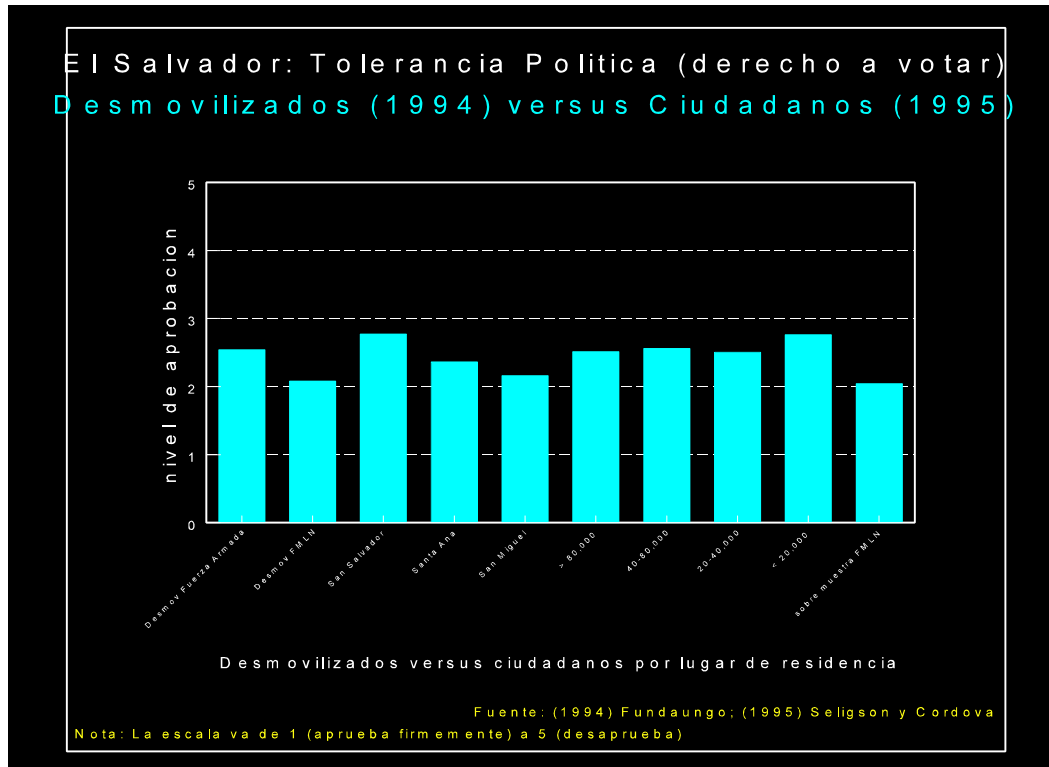
¹⁸John L. Sullivan, James E. Pierson y George E. Marcus, "An Alternative Conceptualization of Political Tolerance: Illusory Increases, 1950s-1970s," American Political Science Review 73 (September 1979):781-794.

¹⁹ James L. Gibson, "Alternative Measures of Political Tolerance: Must Tolerance be 'Least-Liked'?", American Journal of Political Science, May 1992: 562-571.

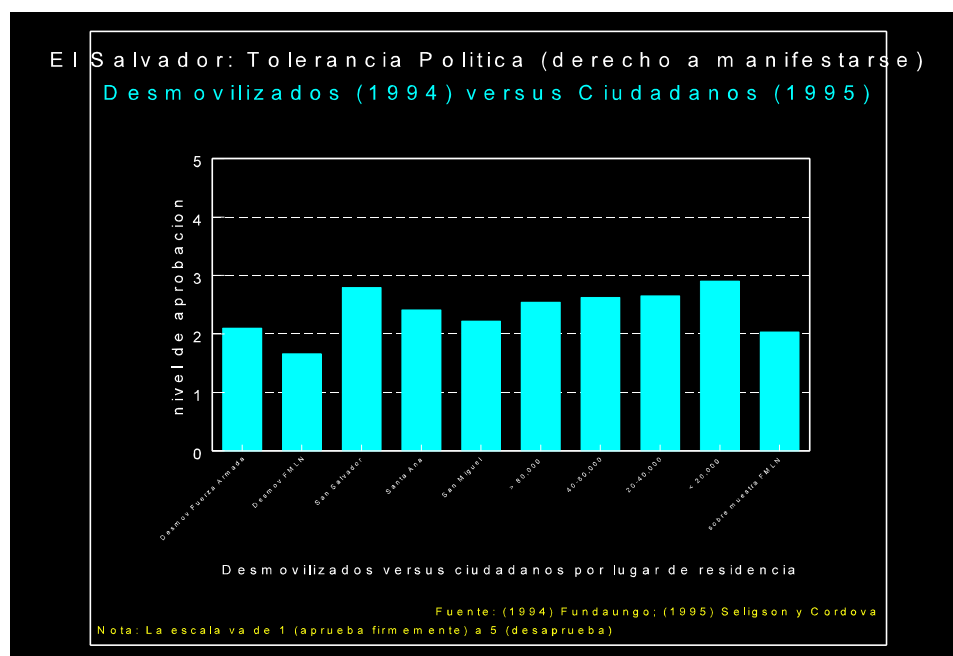
es el valor, mayor es la tolerancia.²⁰ En relación con la información para los ciudadanos, en este caso hemos querido presentar la información para este grupo de acuerdo con sus lugares de residencia: la capital, Santa Ana, San Miguel, municipios de más de 80,000 habitantes, entre 40-80,000, entre 20-40,000 y menos de 20,000 habitantes. Además se agregó una sobre-muestra que se tenía en el estudio de 1995, en zonas más identificadas con el FMLN.

²⁰ La encuesta de los desmovilizados utilizó una escala de cinco gradas: de (1) aprueba firmemente a (5) desaprueba firmemente ; mientras que la de la Universidad de Pittsburgh utilizó diez gradas (de desaprueba firmemente a aprueba firmemente). Lo que se hizo en primer lugar, fue cambiar el sentido de la escala de la Universidad de Pittsburgh, para que los valores más bajos fueran de "aprobar firmemente" a "desaprobar firmemente". En segundo lugar, se recodificaron los valores para tener una escala común: cada dos gradas de la escala de la Universidad de Pittsburgh se equiparo con una escala de la encuesta de los desmovilizados, dándonos una escala de cinco gradas, que va de "aprobar firmemente" a "desaprobar firmemente".

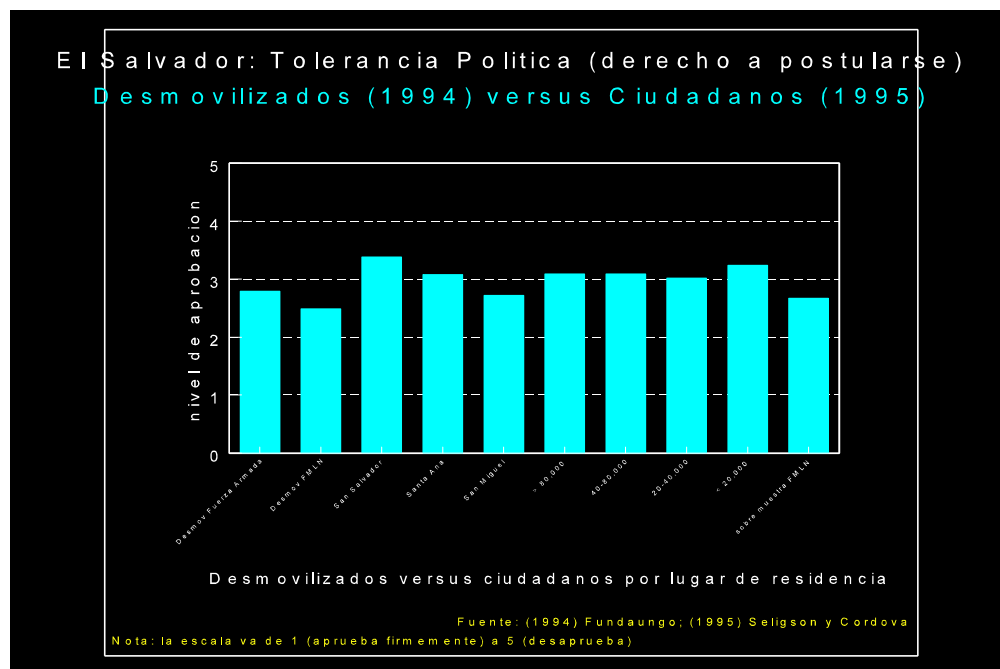
Grafica 10



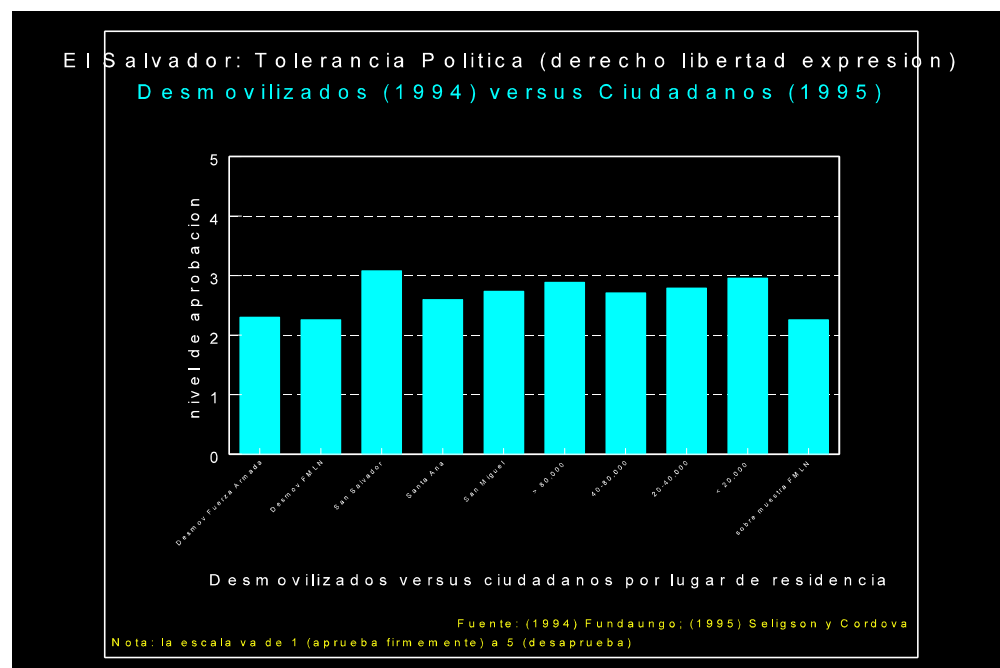
Grafica 11



Grafica 12

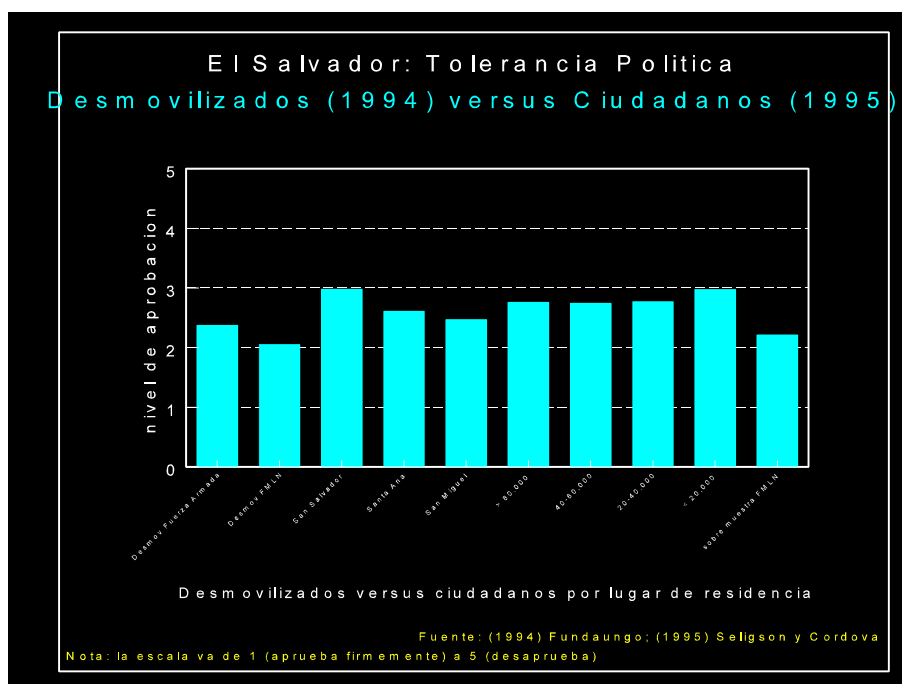


Grafica 13



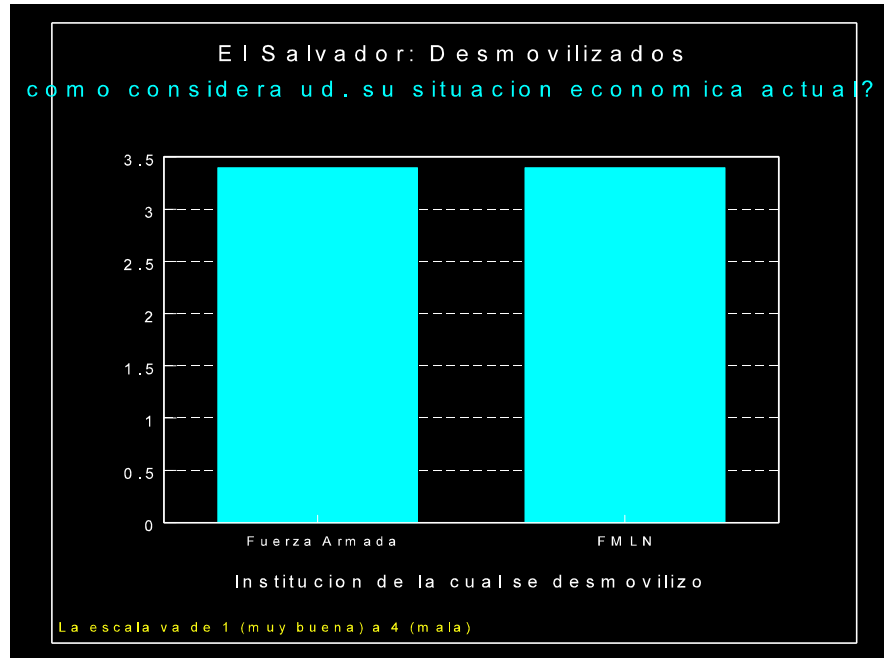
Con las cuatro preguntas se construyó una escala de tolerancia, cuyos resultados se presentan en la siguiente gráfica. El hallazgo principal es que los desmovilizados son mas tolerantes que el resto de los grupos de la sociedad; lo cual es coincidente con la mayor tolerancia encontrada en la sobre-muestra del FMLN en el estudio de 1995 (Seligson y Córdova, 1995). Y los desmovilizados del FMLN son un poco más tolerantes que los desmovilizados de la Fuerza Armada.

Grafica 14



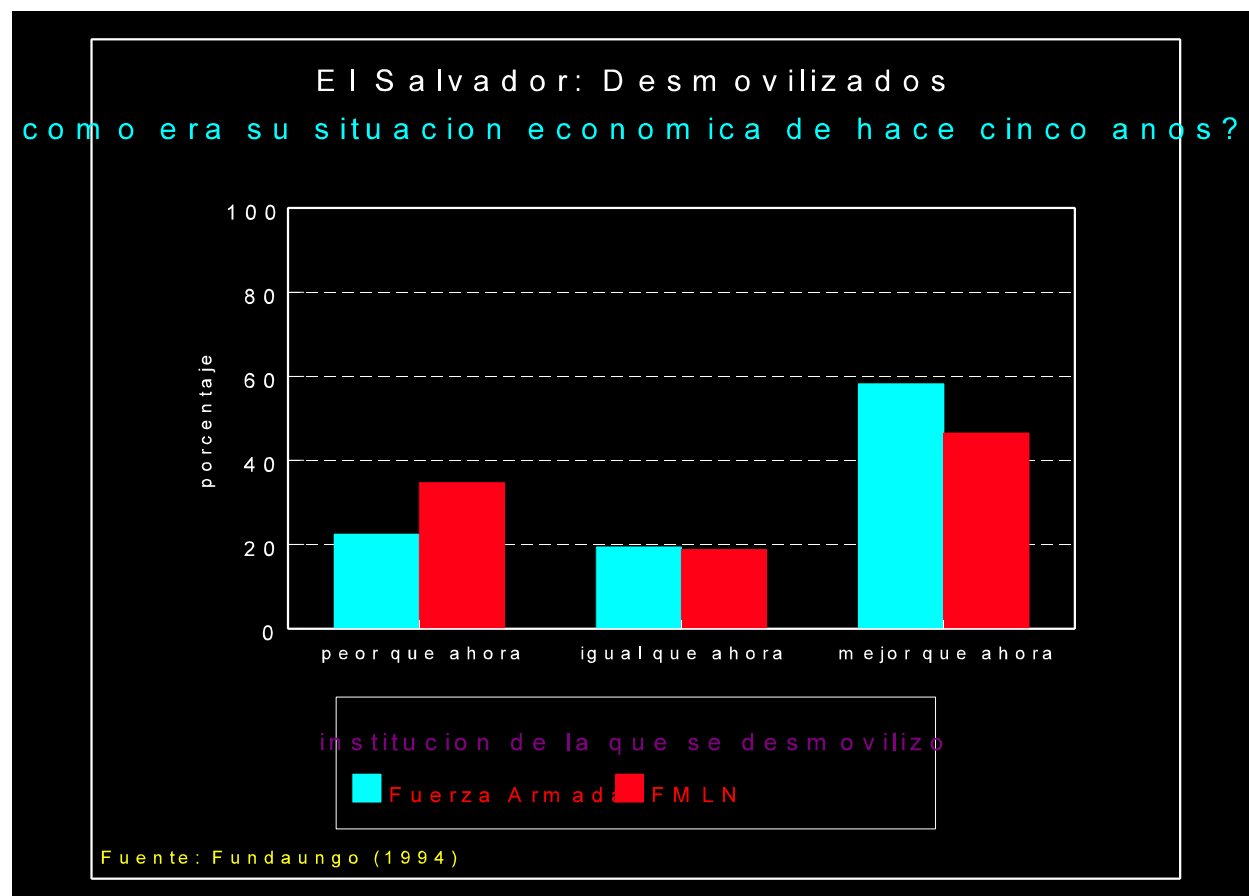
Por último, en este apartado queremos presentar los hallazgos en relación con varias preguntas relacionadas con las percepciones y actitudes políticas de los desmovilizados. En primer lugar, se incluyó la pregunta de como consideraban los desmovilizados su situación económica a finales de 1994, habiéndose generado una escala de (1) muy buena a (4) mala. Ambos grupos consideran su situación económica bastante mala.

Grafica 15



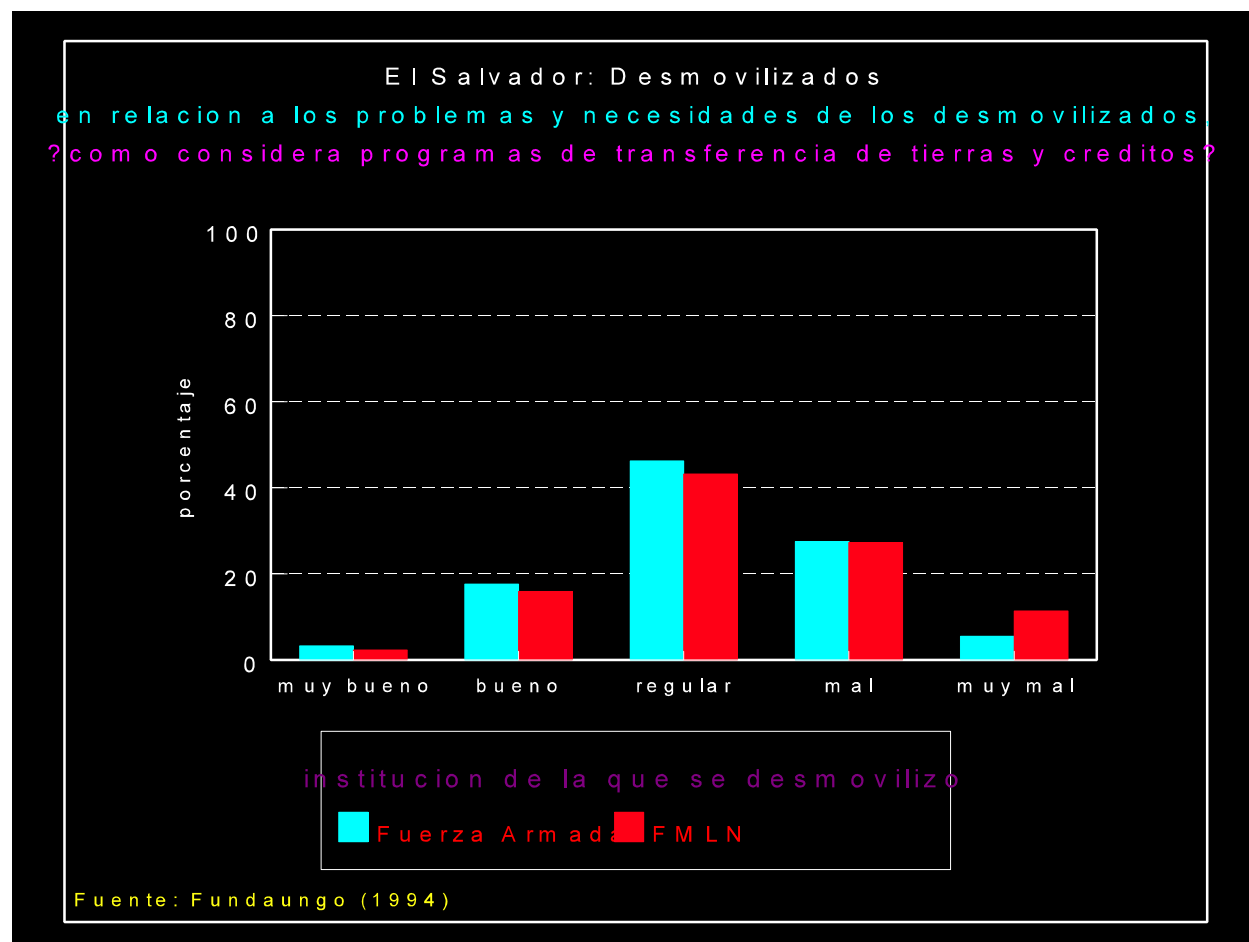
En relación con la pregunta comparando su situación económica actual con la de hace cinco años, ambos grupos señalaron que antes estaban mejor. Sin embargo, hay que señalar que la percepción de mejoría es mayor entre los desmovilizados de la fuerza armada.

Grafica 16



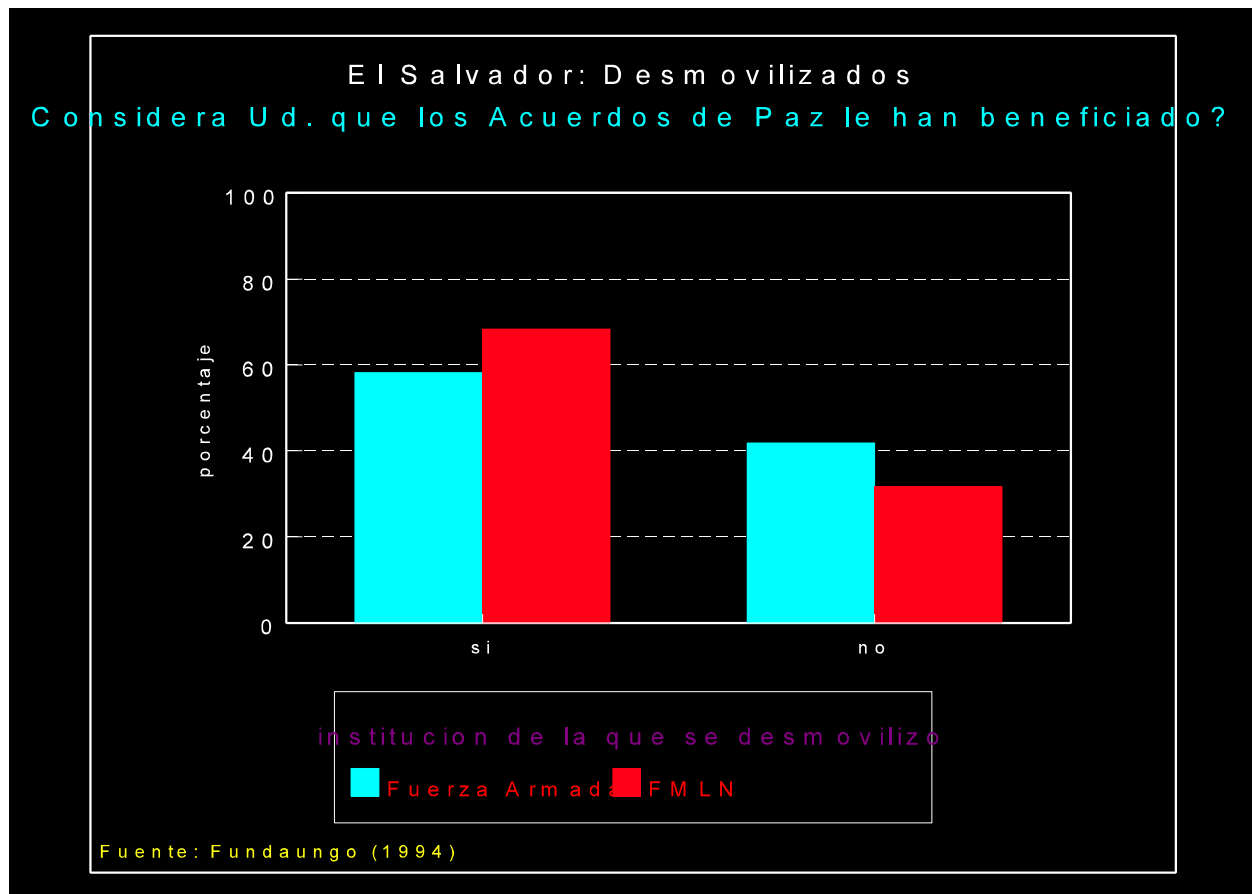
En la siguiente gráfica se reporta la evaluación de los desmovilizados en relación con los programas de tierras y créditos. Los desmovilizados del FMLN tienden a expresar una evaluación un poco más negativa que los desmovilizados de la Fuerza Armada.

Grafica 17



Otra pregunta se refiere a si consideran que los Acuerdos de Paz les han beneficiado. Ambos grupos de desmovilizados expresan mayoritariamente una respuesta positiva a esta pregunta. En este caso la evaluación más positiva es reportada por los desmovilizados del FMLN. Sin embargo, casi un 40% de los desmovilizados de la Fuerza Armada manifiestan que los Acuerdos de Paz no los han beneficiado.

Grafica 18



Finalmente, presentamos un gráfico en el que se distribuyen las respuestas de los desmovilizados, en relación con la pregunta si ¿Cree que el país ha entrado en una fase de democracia? La respuesta muestra la desconfianza existente en el proceso por los desmovilizados a finales de 1994: más del 60% de los desmovilizados de ambos bandos no creían que para finales de 1994, El Salvador hubiera entrado en una fase de democracia.

Grafica 19

